



HOUSING REVENUE ACCOUNT

BUSINESS PLAN

JUNE 2004

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Executive Summary

St Albans District Council's Housing Revenue Account Business Plan sets out the Council's projections of income and expenditure on the Council stock over the next 30 years with the context of the Council's Best Value Performance Plan, Capital Strategy, Asset Management Plan and Housing Strategy.

The Council has a corporate objective to maintain and improve the Council's housing stock to keep it in decent condition.

The Council is currently carrying out a Housing Options Appraisal due for completion in February 2005. The Council can meet the Decent Homes Standard in 2006 through the major repairs allowance. Much of the success of meeting the standard is the significant investment over a number of years in the Council's stock as evidenced by the Stock Condition Survey.

Our priorities for the Council's stock include Decent Homes, energy efficiency, security, health and safety of tenants and leaseholders, minor estate improvements, adaptations for elderly and disabled people and tenant involvement and maximising the use of the existing housing stock.

The Council has completed Best Value reviews of its repairs and housing management service and significant improvements have been implemented, for example, repairs appointment system. Performance in service delivery is critical and the Council is in the top quartile performance for decent homes and rent collection.

A 30 year business plan has been completed which shows that the HRA's position is robust in both revenue and capital terms. The investment available within the Business Plan is more than enough to meet the Council's policies which are in excess of the Decent Homes Standard.

An action plan has been completed which focuses on four key priorities. These are:-

- to deliver a sensitive and efficient housing management service to tenants and leaseholders which is subject to continuous improvement;
- to address issues around anti-social behaviour and make local communities safer places to live and work;
- to sustain a rolling programme of planned maintenance and improvements so as to maintain the stock in decent condition;
- to maximise the involvement of tenants and leaseholders in the running of the housing management service.

The priorities have been informed by feedback from tenants and leaseholders through a range of consultative forums including conferences, focus groups and Housing Consultative Forum.

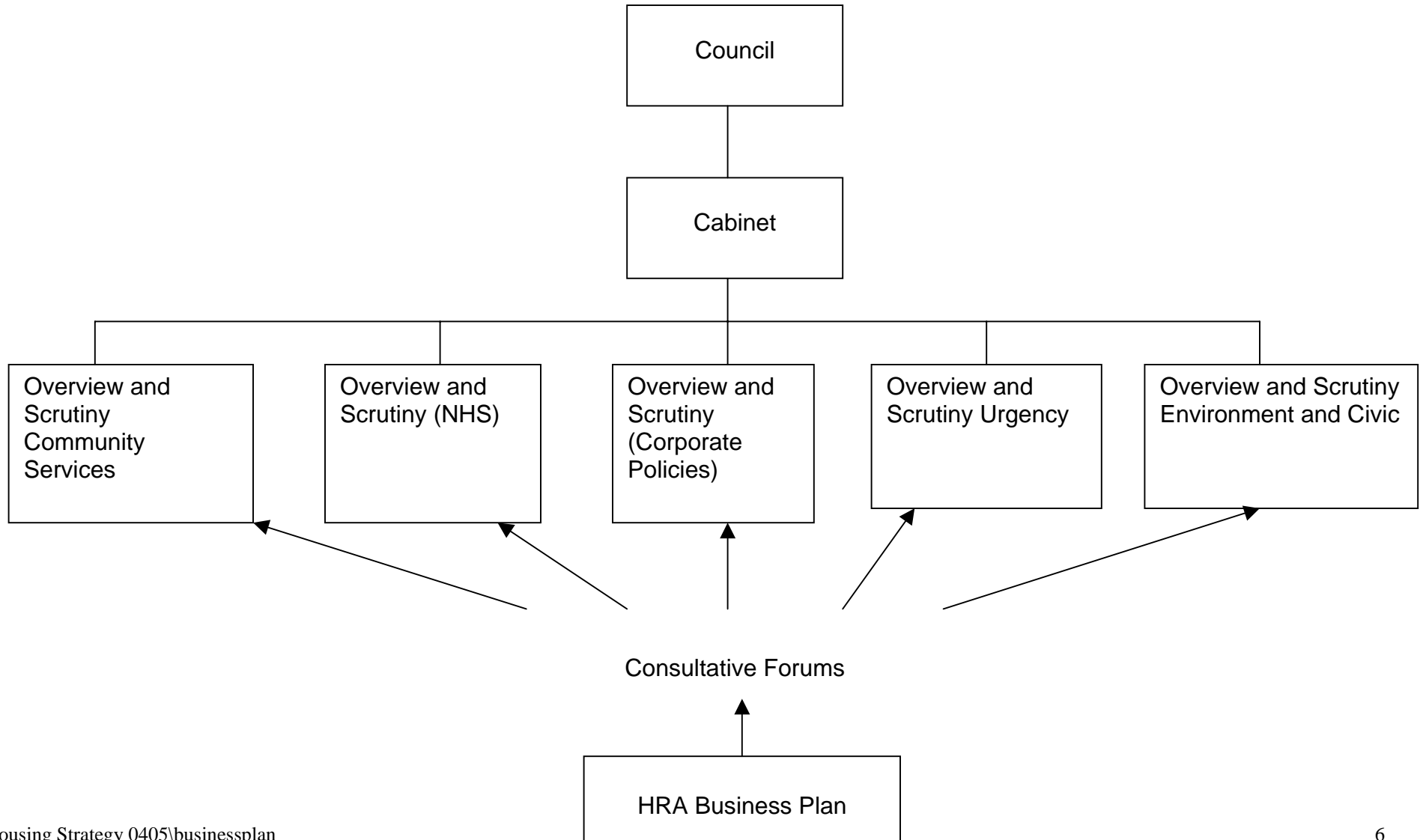
The Business Plan contains a number of appendices containing more detailed information on particular topics. A contact list is available at the end of the report for further information. The business plan is also available in a variety of formats including braille, large print and alternative languages.

1. Introduction

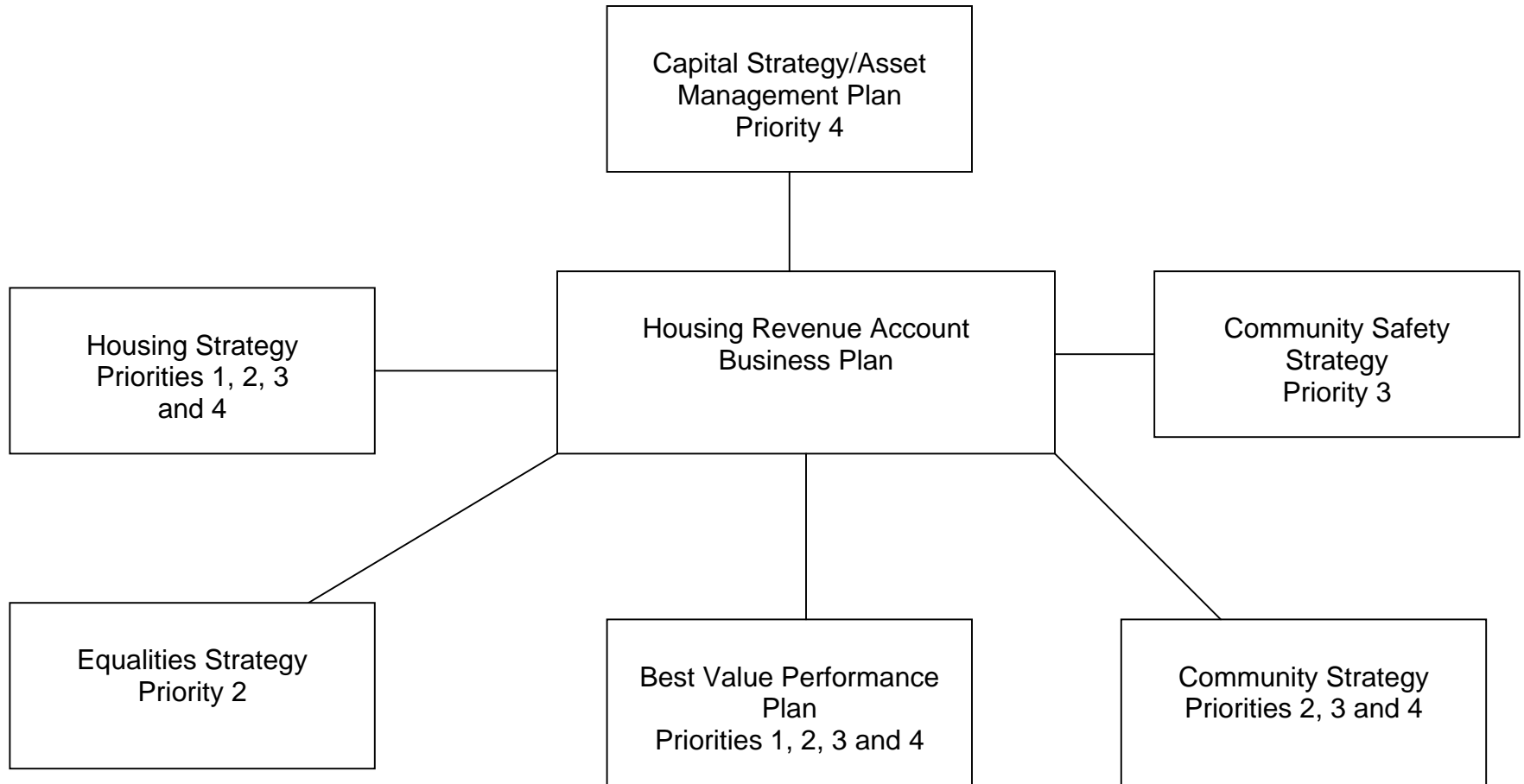
The Housing Revenue Account Business Plan is set within the context of the Council's corporate vision and the more specific Housing Strategy. It has clear links with the Best Value Performance Plan, Tenant Participation Compact, Community Strategy, Capital Strategy, Community Safety Strategy, Supporting People Strategy and should be seen as an integral part of the Council's wider role in relation to community planning and developing sustainable communities. In addition, the plan is also informed by the Council's Equalities Strategy and Asset Management Plan.

The diagram below indicates the corporate structure and describes how the Business Planning process fits into the Council's agenda.

CORPORATE STRUCTURE



The diagram below illustrates the links between the HRA Business Plan and the key Corporate Strategy documents.



1.1 District Profile

Location

Centred around St Albans, the District is an attractive area only 20 miles from central London. Served by a good strategic transport network, St Albans is a very popular commuter location where land and house prices are amongst the highest in the country.

The heritage of the District is a key characteristic. St Albans itself was built on Verulamium, the third largest Roman town in Britain and the local people attach great importance to the District's heritage.

With the exception of specifically excluded settlements, the whole of the District is within the Hertfordshire Green Belt, which limits any further unplanned expansion.

1.2 The Council's Vision, Aims and Objectives

The Council's vision is to preserve and enhance the distinctive character of St Albans City and District, making it an outstanding place to live, work and enjoy.

1.3 Corporate Aims and Objectives

Each year the Council reconsiders its priorities and focus for the coming year. The corporate aims and objectives have been reviewed in light of the comments received through the CPA process. The revised corporate aims and objectives set out below take into account the findings of the Mori residents survey 2002 and the draft community strategy which was based on widespread public consultation. In total the Council now has four aims, which are listed below with their objectives.

The Council's vision:

To preserve and enhance the distinctive character of St Albans city and district, making it an outstanding place to live, work and enjoy

Aim 1

Provide community leadership by acting as a voice for and meeting the needs of the whole community, working closely in partnership with others

Objectives

| | |
|-----|---|
| 1.1 | Provide high quality services and strive for excellence through continuous improvement |
| 1.2 | Engage with and ensure our services are easily accessible to all, paying particular attention to ethnic minority groups, people with disabilities, and other groups with specific needs |
| 1.3 | Represent community views to government and providers of major public services |
| 1.4 | Work in partnership with other voluntary, statutory, commercial and community organisations to meet the needs of the whole community |
| 1.5 | Help local communities develop the skills and give them the power to identify and meet their local needs |

Aim 2

Protect and enhance the environment and heritage and create a safer environment

Objectives

| | |
|-----|--|
| 2.1 | Ensure the city and district is kept clean, attractive and healthy for the whole community |
| 2.2 | Promote and implement environmental good practice |
| 2.3 | Preserve the Green Belt and enhance conservation areas and green spaces in accordance with a democratically agreed District Plan |
| 2.4 | Conserve and seek to improve the character and attractiveness of the environment throughout the district |
| 2.5 | Help people feel safe and be safe whilst living in, working in and travelling around the district |
| 2.6 | Preserve the heritage of the city and district, and share it widely |

| Aim 3 | |
|---|---|
| Improve the health and well-being of residents | |
| | Objectives |
| 3.1 | Maximise the amount of decent, secure and affordable public and private sector housing in the district |
| 3.2 | Reduce homelessness and help residents stay in their own home |
| 3.3 | Reduce fuel poverty and enhance energy efficiency across all housing within the district |
| 3.4 | Maintain and improve the council's housing stock to keep it in a decent condition |
| 3.5 | Improve services, facilities and opportunities which provide a healthy environment and healthier lifestyles for all local residents |
| 3.6 | Help people to overcome economic and social disadvantage |
| 3.7 | Provide quality, affordable sport, leisure and arts opportunities to all |

| Aim 4 | |
|---|--|
| Support and promote a thriving and sustainable local economy | |
| | Objectives |
| 4.1 | Work with partners and funding agencies to sustain a thriving local economy |
| 4.2 | Promote St Albans city and district as a tourist destination and for local residents to enjoy |
| 4.3 | Support opportunities for businesses and employees to enhance their skills and improve their performance |
| 4.4 | Support learning opportunities for local people to improve their skills and life chances |
| 4.5 | Regulate parking to balance the economic well being of the city and district with the needs of residents |
| 4.6 | Meet the needs of residents and businesses for transport in a sustainable way in accordance with a democratically agreed District Plan |

The Council's corporate aims and objectives are underpinned by a well motivated, well trained and effective workforce

Throughout this Business Plan there are several examples of how the Council's housing service contributes to the corporate aims as set out below:-

1. Provide community leadership by acting as a voice for and meeting the needs of the whole community, working closely in partnership with others

- partnership working around community safety;
- introduction of new services to benefit the whole community e.g. mediation service, tenants content insurance scheme;
- lead role in implementing the actions arising from Best Value Review of Social Inclusion;
- accessibility of services through membership of Language Line and contributing to the Housing Benefit Visiting Officer post
- membership of the housing, health and social care theme group thereby contributing to the Local Strategic Partnership.

2. Protect and enhance the environment and heritage and create a safer environment.

- development of close working relations with the Police and Council's Community Safety Officer;
- budgetary provision for minor estate improvements and other security measures for example door entry systems;
- introduction of communal recycling facilities on Council Estates;
- installation of carbon monoxide detectors and hard wired smoke alarms to all of the Council's housing stock.

3. Improve the health and wellbeing of residents.

- a rolling programme of improvements to ensure all properties meet the Decent Homes Standard;
- improving void turnaround times;
- close working with Housing Benefit staff in relation to the development of a debt advice service;
- access to education and other training programmes for tenants and tenant representatives;
- ongoing programme of adaptations for disabled people
- revised allocations scheme.

4. Support and promote a thriving and sustainable local economy.

- development of a learning package for tenants through Oaklands College;
- encouragement of local businesses to be on the Approved List of Contractors.

The Council's corporate aims and objectives are underpinned by a well motivated, well trained and effective workforce. The Council's housing department support a significant number of staff through post entry training and utilises its own training budget to run regular inhouse courses on housing law, housing advice, legislative changes and anti-social behaviour.

1.4 Community Strategy

The Local Government Act 2000 requires every local authority to prepare a strategy for promoting or improving economic, social and environmental wellbeing of their area. St Albans District Council organised an inaugural meeting of a Local Strategic Partnership (LSP) on 16 April 2002, to commence the process of developing a strategy. The LSP is made up of elected members and Senior Offices of key organisations across the District, for example, Hertfordshire Constabulary, University of Hertfordshire, Primary Care Trust, Ethnic Minority Community Forum, Council for Voluntary Services etc. In identifying key themes for the Strategy a wide range of consultation was carried out in late 2001 and early 2002. This assisted in identifying five key themes as set out below:-

- Business Transport and Infrastructure
- Community Safety
- Environment and Heritage
- Health, Housing and Social Care
- Leisure, Learning and Culture

Each theme has a group of officers and members who have worked to produce each chapter of the strategy. The groups consist of representatives from a wide range of agencies. The first draft of the strategy was completed in June 2003 and widespread consultation was carried out during July and August 2003. The LSP endorsed the strategy on 1 October 2003 and it was launched in February 2004.

The Council believes that housing is integral to its wider responsibility to support the economic, social and environmental well being of its area and the development of sustainable communities. Throughout this Business Plan there are many examples of how the Council's actions influence the above:-

1.5 **Key Council Housing Contributions to Community Sustainability**

- a well maintained Council housing stock which contributes to meeting housing need;
- maximising the Council's existing housing stock and garage sites and other assets to extend the housing choice;
- inclusion of energy efficient and security measures in its own improvement programmes to ensure sustainable communities;
- involving tenants and leaseholders to shape future policies through the Tenant Participation Compact and the development of service standards;
- active involvement in community safety issues to address anti-social behaviour;
- joint working with SAFE St Albans Ltd, a partnership involving Police, Anchor Housing, Victim Support and Social Services to fit additional security measures to vulnerable residents who have unfortunately been burgled or are victims of bogus callers;
- community based projects in partnership with key local agencies
 - (i) programme of learning skills courses and workshops incorporating IT across the District through local residents groups;
 - (ii) establishing an after schools club with the Asian Ladies Resident Association;
 - (iii) a youth group meeting regularly on one of our estates at Hilldyke and a local housing association estate at Oysterfield supported by an outreach worker and a local housing association.

1.6 **Key Council Housing Contributions to National Priorities**

In addition to the Council's Strategic Aims and Objectives the Housing Revenue Account Business Plan provides examples of progress towards meeting national priorities. Some examples are included below:-

- a programme of works to ensure compliance with Decent Homes Standard;
- a Housing Options Appraisal commenced in October 2003;
- ongoing progress with rent restructuring which commenced in April 2002;
- maximising the Council's existing stock;
- measures to improve the energy efficiency of the stock and reduce fuel poverty;
- optimising opportunities for the development of affordable housing by reviewing garage sites;
- contributing to the Crime and Disorder Agenda by implementing measures to tackle anti-social behaviour inclusive of the wider community;
- participating in the development of a corporate improvement plan to address Comprehensive Performance Assessment.

2. Housing Supply and Demand

2.1 The District is one of the least deprived in the Country and is ranked 331st (out of 354) on the deprivation index. The District enjoys a high standard of housing across all tenures. The housing stock within the District totals around 55,000 dwellings of which 78% are owner occupied, with some 13% renting from the Council and Housing Associations and about 9% privately rented. House prices are amongst the highest in the region. A Housing Needs Survey completed in November 2002 identified that in order to access the open market via a one bedroom flat, an annual household income of £35,000 is required.

The high cost of housing and land makes it very difficult for low and middle income households to either rent or buy the type of housing they need at a price they can afford.

2.2 The Housing Needs Survey in 2002 showed an annual shortfall of 897 affordable dwellings. Details of the Survey including information on the housing market and special housing needs are incorporated in the Housing Strategy. Examples of how we are addressing affordable housing issues within the District are listed below:-

- implementing Supplementary Planning Guidance in order to negotiate 35% affordable on qualifying sites
- partnership working with local housing associations to bring forward garage sites, rear garden developments for affordable housing
- allocating additional resources within Housing Investment Programme to support affordable housing initiatives.

During 2004/05 we will be providing in excess of 200 units of affordable housing. An executive summary report is available on request.

2.3 In addition to the survey data, the detailed information that already exists in relation to homelessness and those on the housing register, reinforces the fact that there is a substantial current demand for rented social housing from those who are unable to rent or purchase on the open market. At the end of 2002/03 there were 1764 applicants, with 89% requiring up to 2 bedrooms, on the Housing Register and on the transfer list.

2.4 Homelessness has levelled out over the last few years with the number of acceptances during 2002/03 amounting to 179 compared to 182 in 2001/02. However, homelessness looks set to rise particularly with an increase in the number of 16/17 year olds presenting themselves as homeless to the Council. The Council produced its Homelessness Strategy in July 2003 and further information on the Strategy and action plan is available on the Council's website and in the Housing Strategy

2.5 The supply of accommodation is limited to vacancies arising within the stock and nominations to registered landlords. The average figure for relets is 350 per annum.

2.6 Demand for Council housing in all areas of the District remains high with no real difficult to let estates. On occasions management problems do arise and these are addressed through sensitive lettings, minor estate improvements and additional void work. However, retirement housing schemes form a significant proportion of all voids and

demand for this accommodation which has a high proportion of bedsits is much lower. The Housing Needs Survey carried out in 2002 recognised that there is a need to develop an older persons strategy within the District and to address the issues of the mismatch of supply of our retirement accommodation with demand. Consequently a review of our retirement accommodation is scheduled for 2004/05 alongside the Housing Options Appraisal.

- 2.7 The Council recognises the need to ensure that the stock is used as flexibly as possible. Given the shortage of family sized accommodation, the Council also tries to make best use of its own housing stock by actively encouraging tenants who are under-occupying their accommodation to move to smaller accommodation. Assistance includes a lump sum payment of £1,250, removals and financial assistance with carpets and curtains. In addition the Council has for several years had an ongoing programme of converting some of its existing stock to larger accommodation. An annual sum of £200,000 is incorporated within the Capital Programme which enables 3/4 conversions to be carried out each year.

Housing Need

- **total annual need for 897 affordable housing units**
- **in order to purchase a one bedroom flat a first time buyer would need an annual income of £35,000**
- **3,800 households contain someone with a mobility problem**
- **81% of households are owner occupiers (35% owning their home outright)**

3. The Council's Housing Stock

- 3.1 As at 31 March 2003 the Council's housing stock was 5528 compared to 5608 at 31 March 2002. The main change in stock numbers arises from properties being sold under the RTB. The effect of RTB on the stock over a number of years is to erode the Council's ability to house families in appropriate accommodation.
- 3.2 In total 44% (2,432) of the stock comprises flats and maisonettes and 56% (3,096) houses and bungalows. The majority of the housing stock was built between 1945 and 1974. The Council only has one high rise block in excess of 6 storeys.
- 3.3 The Council currently still owns and maintains its housing, operating from a centralised location at the District Council Offices.

- 3.4 Historically there has been a high level of satisfaction with the existing service, demonstrated by repairs satisfaction surveys, low level of formal complaints and general feedback from resident associations across the District.

The Council has embarked on an Housing Options Appraisal, which is programmed for completion by February 2005. A stock Options Consultant has now been appointed and resident association representatives have appointed an Independent Tenants Adviser following an intensive training course delivered by TPAS. The selection panel consisted of seven resident representatives. The Council has established a Steering Group to oversee the process consisting of 5 tenants, leaseholder, 3 Councillors and 3 stakeholders and work has commenced on the Tenant Empowerment Strategy and Consultation and Communications Strategy. A special edition of the Housing Times newsletter has been sent to all tenants and leaseholders along with residents in our homeless hostels providing information on the Housing Options Appraisal.

As part of the Housing Options Appraisal the Council will be evaluating all four options covering stock retention, setting up an arms length management organisation (ALMO), private finance initiative and transferring the housing stock to a new or existing housing association (LSVT).

- 3.5 The Department is able to commence this process from a position of strength, given the condition of the housing stock and current performance. In addition, the Council will be utilising the Options Appraisal process to deliver other objectives, in particular to develop a programme of service improvements, achieve top quartile performance across key Best Value Performance Indicators and reviewing low demand accommodation in relation to the Council's retirement housing stock.
- 3.6 The resources available in the long term will be critical to the process along with the priorities and aspirations of tenants, leaseholders and stakeholders. The financial modelling will commence in February 2004, and it is anticipated that the Stock Options report incorporating priorities/improvements will be completed in June 2004 with widespread tenant and leaseholder consultation commencing in October 2004.

4. **Stock Condition**

A condition survey of the Council's housing stock was carried out during the autumn of 2001 by Rands Associates with the final report¹ produced in April 2002. The survey covered a sample of the housing stock as follows:-

- 10% general needs houses, bungalows and maisonettes;
- external and common areas of all retirement housing schemes;
- all 'one off' properties 100% internal and external;
- 68 external and common parts of flats (a representative block from each site);
- 13 external surveys of garage sites.

¹ Rand Associates Stock Condition Survey Report April 2002
Housing Strategy 0405\businessplan

The stock condition report² also incorporated information on the following:-

- catch up repairs;
- improvements;
- cyclical and responsive maintenance;
- future major works;
- contingent major repairs;
- level of non-decent homes.

The key survey findings at 2002 stock levels and prices were:-

- the stock condition is good overall with many elements not requiring replacement within the first ten years;
- £94 million of work is required over the next 30 years to maintain the stock excluding improvements;
- £24.9 million is required to maintain the stock over the next 10 years excluding improvements;
- £148,855 of catch up repairs is required over the next five years;
- the average SAP rating of the stock was 56;
- the total non decency percentage is 10.95%
- the cost to repair and improve those properties which fail the decency standard is £931,150

The results of the survey showed that the Council has benefited from a substantial level of investment over the last 5-10 years with an effective cyclical maintenance programme. An executive summary of the report is available on request. See contact details at Appendix 10.

4.1 **Updating the Stock Condition Data**

The information which the Stock Condition Report is based on is currently held in Excel format. Information regarding those properties which are currently non-decent and those which will become non-decent in future years can be extracted from the database using the filter attribute on the programme. As works are completed to change the status of the property from non-decent to decent, the Council's property list is updated to record the works carried out. The Council recognises the need to develop a computerised programme to hold, retrieve and update information on the housing stock and work is in progress to address this during 2004/05.

² Rands Associates Stock Condition Survey Report April 2002
Housing Strategy 0405\businessplan

The Council has commenced work on an Options Appraisal and has updated the existing data. A review of the stock condition data by the Council's Housing Consultant in discussion with the Community Housing Task Force has shown that it is sufficiently robust to support the Housing Options Appraisal process. Additional surveys have been carried out within the Council's retirement housing stock to ensure sufficient sampling across the Council's housing stock.

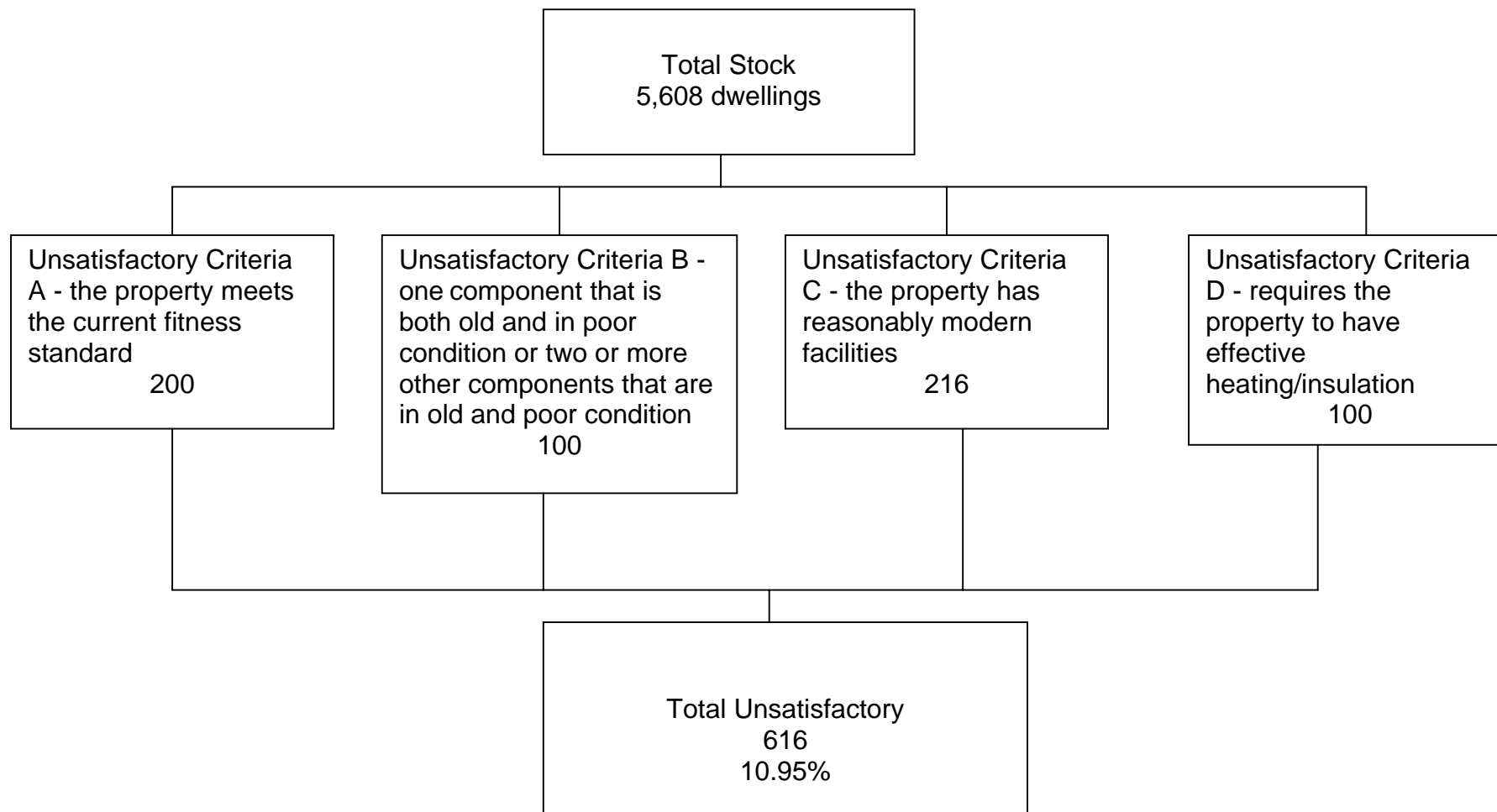
4.2 **Decent Home Standard**

In the summer of 2001 the Government introduced a requirement that all public sector landlords must bring their properties up to the Decent Home Standard (DHS). The standard includes two targets: the first being that one third of non complying properties must be brought up to the DHS by 31 March 2004. The other being that all properties must comply with the DHS by 31 March 2010.

The standard comprises four criteria and the stock condition survey identified 616 non decent properties as at 1 April 2002. A breakdown of the criterion is set out in the diagram overleaf.

This diagram also shows the number of properties which failed each of the criteria along with the definition.

Decent Standard – Results of Non-Decency Within the Housing Stock April 2002



Since the stock condition survey was carried out 33 properties have been brought up to the Decent Homes Standard at a cost of £36,000 during 2002/03. During 2003/04 a further 207 properties were made decent with full elimination of non-decency by 2006. This is summarised in the table below:-

| <u>Year</u> | <u>Number Made Decent</u> | <u>Number requiring works to ensure do not become non-decent</u> | <u>Balance Non-Decent Homes</u> |
|-------------|---------------------------|--|---------------------------------|
| 2002/03 | 33 | 0 | 583 |
| 2003/04 | 207 | 0 | 376 |
| 2004/05 | 186 | 638 | 190 |
| 2005/06 | 190 | 507 | 0 |
| 2006/07 | 0 | 499 | 0 |
| 2007/08 | 0 | 550 | 0 |
| 2008/09 | 0 | 591 | 0 |
| 2009/10 | 0 | 592 | 0 |

4.3 Potentially Non-Decent

The condition of the housing stock does not stand still and properties which comply with the DHS now may fall below the standard in the future. To address this the Council is targeting future works in the 30 years programme to ensure that no further homes fall below the standard. A programme has therefore been drawn up for the period to 2010, which is linked to the 30 year programme. This is summarised at Appendix 1. The table at Appendix 1a shows the expenditure separated between decent homes including expenditure required to ensure properties do not become non-decent and other works including improvements.

4.4 Non Traditional Dwellings

As a consequence of previous investment it is not anticipated that the Council's stock of non traditional dwellings will present any significant medium term problems. In particular, all PRC dwellings have undergone major work including the complete eradication of PRC elements in some cases, eg Unity dwelling. This, however, will be reviewed further as part of the Housing Options Appraisal.

4.5 Energy Efficiency

Information from the stock condition survey showed that in general our properties are well insulated and centrally heated. The Council's ongoing programme of energy saving works has continued to provide improvements to tenants. For example, the cavity wall insulation programme has been running for over 8 years, external wall insulation programme for over 10 years and the replacement window programme for

in excess of 17 years. During the last 7 years there has been an ongoing programme of replacing central heating boilers to ensure that they comply with the latest regulations. There are specific targets set within the HECA report for the next 3 years.

- completion of a loft insulation programme
- completion of a cavity wall insulation programme
- that the window replacement programme continues to include double glazing

During 2002/03 the following work was carried out to improve the energy efficiency of the Council's housing stock:-

| Type of Work | Number of Properties | |
|----------------------------|----------------------|---------|
| | 2002/03 | 2003/04 |
| Loft Insulations | 477 | 355 |
| Cavity Wall Insulations | 379 | 318 |
| Boiler Replacements | 281 | 215 |
| Condensing Boilers | 47 | 85 |
| Installations uPVC Windows | 109 | 33 |
| External Cladding | 25 | 28 |

4.6 Health and Safety

It is imperative that the Council responds to health and safety issues which arise in relation to its housing stock. Recent priorities have included the installation of hardwired smoke alarms and carbon monoxide detectors. The Housing Investment Programme to 2010 includes provision for the replacement of carbon monoxide detectors. In addition works are in progress in relation to our retirement housing schemes and homeless hostels in order to comply with the Disability Discrimination Act.

4.7 Minor Estate Improvements

The estate improvements are a key feature of encouraging tenant and leaseholder participation. An annual sum is incorporated within the Housing Investment Programme to carry out such work including security lighting, fencing, refurbishment of bin areas and landscaping.

4.8 Security

The Council has had an ongoing programme for several years covering Door Entry Systems to blocks of flats across the District. Over time these have developed in order to incorporate the latest technology. In most locations they help to create a safe environment but ongoing problems can occur where there are significant management problems. Further work is underway to deliver a more robust/effective system linked to the installation of CCTV.

4.9 Extensions

An extension policy has been in place which over the last 4 years has seen around 16 properties converted in order to provide larger accommodation for families on our Housing Register. This is still considered to be a priority and ensures that the Council is maximising the best use of its existing housing stock.

4.10 Adaptations for Disabled People

The Council has a strong commitment in partnership with Herts County Council to deliver adaptations to disabled people. These works range from minor jobs to ramps, rails, to larger works such as stairlifts and extensions. The Best Value inspection of the repairs service noted that a good service was provided to the Council's elderly and disabled tenants. Given the ageing population as identified in the Housing Needs Survey, this is obviously considered still to be a priority.

4.11 Procurement of Future Contracts

The Best Value Review of the Repairs Service included a recommendation to explore the potential for partnering arrangements.

A partnering agreement has been implemented with the London Electricity Board and an Energy Consultant covering cavity wall and loft insulation. This initiative has enabled matched funding to be obtained, thereby enabling a larger programme of work to be carried out. During 2002/03 the matched funding amounted to £78,563.

The Council are keen to extend the partnering concept to other capital projects and arrangements are well in hand to expand this approach to uPVC window replacements. A 3 year partnering agreement is in the process of nearing completion, involving 480 properties with an option to extend for a further 2 years. Consultants have been appointed to assist in delivering the requirements of all parties

within the agreement. It is anticipated that this approach will be extended to other capital projects, for example, kitchen and bathroom replacements during 2004/05.

4.12 **Tenant Involvement in Priorities for Maintaining the Stock**

Many decisions relating to maintenance have been taken in consultation with resident representatives at Housing Consultative Forum meetings. The key priorities to date have been around uPVC replacements, roofing, kitchen and bathrooms, door entry systems and energy efficiency improvements. The recent status survey identified kitchens/bathrooms, estate improvements and car parking as key priorities for future investment in the housing stock. The results are summarised at Appendix 3.

Tenants are increasingly becoming involved in refurbishment work and a pilot uPVC partnering agreement has a tenant on the project team. Within the Tenant Compact there is further provision to extend this to other partners.

5. **Performance Management and Performance Information**

5.1 As part of the preparation for CPA, the Council has undertaken a review of the way each department collects and manages performance information, how this information is reflecting the strategic priorities of the Council and how it is used or can be used to drive service improvement.

Over the last 18 months, each department has developed and implemented a service plan which draws together all actions and initiatives arising from other strategic sources.

In the case of housing, the actions incorporated into the current service plan are drawn from a range of sources including:-

- The action plans arising from the Best Value Reviews of housing repairs (2000) and housing management (2001)
- The Tenant Compact "Working together"
- The local Strategic Partnership Community Plan
- The Housing Strategy
- The Equalities Strategy

The Service Plan is updated and monitored quarterly through the Corporate Management Team and is reported to the appropriate Overview and Scrutiny Committee.

5.2 Within the Housing Service there is a system in place for regular collection and monitoring of performance information.

Some of this information is a statutory requirement and is reported to the Audit Commission. Other performance information is a local requirement and is used to monitor and if necessary, identify deficiencies in service delivery.

Each section within the Housing Service is required to produce its own performance information on a monthly basis, this is channelled through the Administrative Control Group and is reported to the Head of Housing, Departmental Management Team and exception reporting to the Strategic Director.

Performance information is produced quarterly to tenants and leaseholders through the Housing Consultative Forum and Housing Times Newsletter. In addition feedback is regularly provided at tenants' meetings across the District.

The Best Value Performance Indicators are collated quarterly onto a corporate database and are incorporated into the service plan as mentioned above. The information is reported quarterly to the Corporate Management Team and to the appropriate Overview and Scrutiny Committee.

- 5.3 The tables at Appendix 2 and 2a indicate the range of both local and national performance information including targets for the short and medium term. The table demonstrates that while performance is generally good, there remains further scope for improvement. The Council is in the top quartile performance for best value indicators covering rent collection and proportion of non-decent homes at 1 April 2002. With local performance indicators performance has improved in relation to percentage of Council homes empty and rent arrears as a proportion of the Council's rent roll. The average time to relet dwellings has improved slightly and further measures have been implemented during 2003/04 to improve performance in this area as illustrated by the third quarter figures for 2003/04. The percentage of repairs completed within Government time limits also went down during 2002/03 but again there are improvements in performance against this indicator for 2003/04.
- 5.4 In February 2002 the Council received a good 2 star service rating with promising prospects for improvement in relation to its repairs service. In their report the Inspectors commented that there is a strong commitment to meeting the needs of tenants by providing an accessible service that has a good customer focus. The report identified eleven good practice points including:-
- an effective planned maintenance programme
 - a strong code of conduct for contractors
 - internal decorating for elderly and disabled tenants
 - reporting of repairs via e.mail
 - use of the department's Special Advisory Officer in an effective way for translation and accompanying contractors on repair visits where cultural issues need to be addressed. The areas for improvement have nearly all been completed, including a robust appointment system, a lettable and cleaning standard for void properties, a new tenants handbook and service standards for adaptations for disabled people.

- 5.5 Comparisons of our performance against other local authorities is carried out. A benchmarking arrangement exists with other Hertfordshire authorities. A comparison of performance indicators within Hertfordshire including the top quartile performance is shown at Appendix 2c. In addition the Council is keen to learn from best practice, high performing authorities including attending beacon events in order to improve the service's performance further.
- 5.6 In October/November 2003 a status survey was carried out with a questionnaire issued to 1400 tenants. The survey was conducted using a postal methodology as recommended in the ODPM guidance. In total 742 questionnaires were returned representing a response rate of 53% compared to 48.5% in 2001. The key results of this survey are shown at Appendix 3 and show that satisfaction with our housing management service has increased from 82% in 2001 to 84% in 2004. The satisfaction with opportunities for participation in management and decision making has remained the same however at 58%. This is identified as an area for improvement and this will be considered further within the Housing Options Appraisal.

Current Service Performance

- **Top quartile performance for rent collection and proportion of non-decent homes**
- **84% satisfaction with housing management service**
- **improved void turnaround time from 35 days in 2002/03 to 25 days in 2003/04**

6. The Landlord Function

6.1 The landlord function is carried out by a number of teams within the Housing Service, these teams and their responsibilities are summarised in the table below. A structure chart is included at appendix 4.

| <u>Team</u> | <u>Structure</u> | <u>Responsibilities</u> |
|------------------------------|--|---|
| Area Team | 2 x Area Team Leaders 1 Senior Surveyor 1 Senior Management Officer 9 Management Officers 5 Surveyors 1 Estate Services Officer 7 Caretakers 1 Tenant Participation Officer | <ul style="list-style-type: none"> • management of rent collection and arrears collection; • tenancy management - nuisance, succession, etc; • estate management and caretaking services; • responsive repairs; • tenant consultation and participation; • leasehold services |
| Project Group | 1 Project Group Leader 3 Project Surveyors 2 Building Services Surveyors | <ul style="list-style-type: none"> • management of the Housing Investment Programme; • annual gas servicing and repairs; • disabled adaptations; • service contracts e.g. lifts |
| Housing Support Team | 1 Support Team Leader 1 Senior Support Officer 9 Community Wardens 2 Resident Wardens (the structure of this team is currently under review) | <ul style="list-style-type: none"> • management of 14 retirement housing schemes; • management of dispersed housing schemes for the elderly; • management of the community alarm service and individual alarm users in the community |
| Administrative Control Group | 1 Senior Administrative Officer 9 Housing Assistants 1 Void Property Surveyor | <ul style="list-style-type: none"> • taking calls from tenants and processing repair requests; • processing invoices; • contractor monitoring; • management of void property until ready to let; • provision of a housing reception service |

In 2000 and 2001, Best Value Reviews were carried out of the Housing Repairs Service (2000) and Housing Management Service (2001). The Best Value Review of Housing Repairs was inspected by the Housing Inspectorate in 2001 and was awarded 2 stars with likely prospects for improvement. An update of the action plan for both reviews can be found at Appendix 5/5a.

Both these reviews incorporated action plans, which have largely been implemented. Some outstanding items have been incorporated into the annual service plans.

The Housing Service has also been involved in some corporate initiatives and cross cutting service reviews, these include:-

- development of the Corporate Equalities Strategy including implementation of the Housing Service Action Plan;
- involvement in the Social Exclusion Best Value Review and implementing some items from the action plan e.g. the tenant contents insurance scheme, tenancy management support service, mediation service for 16/17 year olds.
- involvement in the Best Value Review of customer services and implementation of actions arising from that e.g. the piloting of Language Line services;
- the Housing Service was one of the early members of the Community Safety Partnership and has taken a lead role in a number of initiatives including establishing the Antisocial Behaviour Monitoring Group and the Racial Incidents Monitoring Group. The Area Team Leader is the lead officer for liaison with and development of community safety initiatives within the service.

6.2 Tenant Consultation and Participation

Over recent years the Housing Service has reviewed and extended its efforts to promote tenant participation and consultation. This process has been assisted by the introduction of the Tenant Compact in 2000 and its revision in 2003. The service employs a full time Tenant Participation Officer but the commitment to participation and consultation is incorporated into the job descriptions and grading criteria of all Housing Management Officers and Maintenance Surveyors.

There are now 15 resident associations across the district. Some of them have a formal arrangement and constitution, others are a loose arrangement of a group of residents with concerns meeting on a regular basis with the Tenant Participation Officer or Management Officer. In some areas where there are few tenants or leaseholders, we allow independent tenants to have their say through attendance at the quarterly Housing Consultative Forum.

The Service has a commitment to working with other agencies where possible to enhance and improve our working arrangements with our residents. In recent years we have invited a number of external organisations to attend individual tenant meetings or the Housing Consultative Forum to talk about their work and promote their services to tenants. These include:-

- local police;
- Fire Safety Officers;
- St Albans Credit Union

- Mediation Hertfordshire (St Albans)
- JLT Insurance (providers of tenant contents insurance)

The Housing Consultative Forum is a quarterly meeting, usually held at the Council Offices, but each year at least one meeting is held at an alternative venue in the district. The meeting is attended by Members, Officers and resident representatives, in addition guest speakers as above may be invited to attend.

In July 2003 the Housing Service held its first Residents Conference. Although turnout to the event was small, a number of workshops were held and it was deemed a successful day by those who did attend. A special Newsletter summarising the event was distributed to all tenants. Since the original Tenant Compact was developed a number of initiatives have already been implemented, which include the following:-

- extra financial resources available for resident participation
- clear standards in place for recognising residents associations and a 'starter pack' of useful information for anyone interested in setting up a residents association
- eight new associations developed
- establishment of an Asian Ladies Group
- establishment of a community resource centre in partnership with a local housing association.

The Council is keen to promote learning opportunities for tenants, particularly from ethnic minority communities. An Asian Family Health Group, which was initiated on one of the Council's housing estates and funded by Primary Care Trust, meets every Monday at a local church to the estate. The sessions include health advice and dietary information. English classes have also been provided. In addition, in partnership with Oaklands College, IT courses are run at a local school for Asian women.

The Tenant Compact was reviewed in 2002/2003 and has been distributed to all tenants. The Compact includes an action plan for 2004/2005 which includes:-

- a local youth panel to help the Department consult with young people on our estates
- implementation of a leaseholder panel
- a resident focus group to help develop our approach to neighbour nuisance
- implementation of a pilot Estate Level Agreement
- a resident focus group to help develop our approach to rent arrears
- provision of training opportunities for up to five resident representatives
- involvement of resident representatives in the appointment of key partners
- joint training for staff and residents on tenant participation

Items from the Compact are incorporated into the Service Plan, implementation and progress within the Service Plan is monitored quarterly. In addition an update covering all actions will be reported to each meeting of the Housing Consultative Forum.

A Status Survey has been carried out in the latter part of 2003. The findings from the Status Survey are summarised in Appendix 3.

In addition, as part of the Housing Options Appraisal the Council has completed a Tenant Empowerment Strategy which sets out how tenants and leaseholders will participate and be fully engaged in the decision-making process.

6.3 Tenancy and Estate Management

Tenancy and Estate Management are carried out by the Area Team. The Area Team has recently been reorganised with the aim of improving the supervision of front line staff and enhance career opportunities thereby reducing staff turnover within the team.

The team comprises 2 Area Team Leaders who both manage a mixed team of Housing Surveyors and Management Officers. There is also a Senior Management Officer and Senior Surveyor whose roles include supervision and troubleshooting.

A new post of Estate Services Officer has been recruited to. This post was identified in the course of the Best Value Review of Housing Management. The aim is to provide direct line management of the caretaking team and structured liaison with other departments on a range of services provided on housing estates e.g. grounds maintenance, refuse collection, communal repairs and estate improvements. A review of the caretaking service will be carried out during 2004/05.

In addition to the restructuring of the Area Team, there have been a number of other improvements to the tenancy and management service. These include:-

- revised Housing Handbook distributed to all tenants
- mediation service for addressing neighbour disputes
- translated leaflets
- implementation of a tenant contents insurance scheme
- implementation of a new tenancy management support service in partnership with a local housing association
- use of professional witnesses to assist in gathering evidence to tackle anti-social behaviour
- implementation of repairs appointment system covering pre-inspections by Housing Surveyors.

The recent status survey shows a good level of satisfaction with the housing service. In relation to repairs which is identified as the most important service within the survey there has been an increase in satisfaction summarised in the table below:-

The Repairs Service - Status Survey March 2004

| Measure of Performance | March 2004 | March 2001 |
|---|-------------------|-------------------|
| Satisfaction with the repairs and maintenance service | 85% | 80% |
| Rating of Overall Quality of Repair | 83% | 82% |
| Rating Attitude of Workers | 90% | 91% |
| Rating of speed with which repair work was completed | 86% | 85% |

In addition the survey incorporated a specific question relating to the appointments system with 50% stating that this has improved the repairs service.

The status survey at Appendix 3 supports the view expressed by our resident association representatives that the Council's housing estates are well managed. Problems which do occur are more likely to be slight rather than a serious problem. In comparing the information with the previous survey in 2001 litter and rubbish in the street still represent the most serious problem. Problems caused by dogs has reduced overall. Although the percentage is low there has been an increase of 2% in serious problems associated with drug dealing, other crime and racial harassment.

An effective strategy for tackling crime and anti-social behaviour is essential in ensuring the well being of the community. Close partnership working through the Anti-social Behaviour Theme Group within the Community Safety Partnership is ensuring a joined up approach to addressing specific problems arising on estates across the District. Recently a strong link has been forged between the police and District Council to crackdown on anti-social behaviour. The two bodies have joined forces as the St Albans Crime and Disorder Reduction Partnership. A joint approach is being taken with the police focusing on the criminal side and the Council with the tenancy side. Joint visits are proving effective.

The results of the status survey will be explored more widely with tenants and leaseholders throughout the Housing Options Appraisal.

6.4 Retirement Housing

Over the last 3 years the Housing Service has been reviewing its retirement housing service to elderly people.

Changes arising from this review include:-

- gradual transfer of the service from one based on a resident/mobile warden service to a more mobile and flexible service based on Community Wardens working in a

designated area, the service is tenure neutral but the officer is based at a retirement housing scheme;

- a relaxation of letting criteria to address problems of low demand;
- major works/refurbishment on some schemes to improve take up of void properties e.g. conversion of bedsits into one bedroom flats and reduction in the use of shared facilities;
- a removal support package;
- an extensive marketing strategy.

The service is now in a strong position in relation to the changes arising from Supporting People. Service reviews are planned for 2005 and the Housing Options Appraisal will include an assessment of our retirement housing stock.

6.5 Void Property Management

Due to a number of initiatives over recent years, the average void to ready time has fallen by 7 days over the last 18 months. There is still scope for further improvement and the management of void properties is under constant review.

There remains further work to be carried out. This includes the introduction of accompanied viewings and reviewing the way in which voids are allocated to contractors. A Schedule of Rates specifically for void properties has recently been issued for tender and the changes to contractor allocation and pricing arising from this are currently being implemented.

7. Asset Management

- 7.1 The Council has, for many years, maintained an asset register listing all assets including HRA properties.
- 7.2 In addition to the housing stock at 1 April 2003, there are 2,975 garages. The supply of garages across the District exceeds demand, demonstrated by an average void rate in recent years of between 18-20%.
- 7.3 The Stock Condition Survey also included a sample of garage sites across the District. Those surveyed were found generally to be in sound condition. Over the next ten years the areas identified for investment, were that 40% of roof coverings require replacement along with 20% of doors. This expenditure amounts to £1.8m over 10 years and £4.7m over 30 years.
- 7.4 In recent years three garage sites have been passed to a local housing association for affordable housing. A further two garage sites have been submitted for funding via the Housing Corporation in order to develop affordable housing over the next two years. This approach to garage sites in areas of low demand for example will continue over the next three years in consultation with planning and estates.

- 7.5 The Council is required to produce an Asset Management Plan in conjunction with the valuation requirements of Housing Resource Accounting and Corporate Capital Strategy. This business plan links into both of these documents, which were recently given a rating of 'good' by GO-East, the highest rating possible.

8 Financial Resources

Capital Expenditure

- 8.1 The Council has a Capital Strategy which sets out the Council's priorities for capital expenditure. This was recently assessed as "good" by the Go-East Regional Office, the highest rating possible. The Capital Strategy links to the Council's overall aims and objectives and the Asset Management Plan. The Capital Strategy is available free on request.
- 8.2 The Council has supported its capital expenditure on new build and improvements to the housing stock from Right to Buy Sales and the major repairs allowance. The Council has been debt free since 1 April 2002, and since then has allocated all capital receipts arising from Right to Buy sales to the Housing Investment Programme. This will obviously reduce given the pooling of capital receipts from 1 April 2004, mentioned later.
- 8.3 In view of the benefits of its debt free status the Council has adopted a policy of not using credit approvals for external borrowing. With the changes brought about by the Local Government Act 2003 this policy is under review, although the "base case" HRA Business Plan assumes no change to this policy.
- 8.4 The table overleaf illustrates expenditure on the housing stock over the last four years. This covers a range of work including uPVC window replacement, re-roofing, external enveloping, central heating improvements and door entry systems.

| Type of work carried out | 1999/2000 £000's | 2000/01 £000's | 2001/02 £000's | 2002/03 £000's | 2003/04 (estimated outturn) £000's |
|--|---------------------|-------------------|-------------------|-------------------|---|
| Adaptations for disabled | 357 | 503 | 524 | 580 | 591 |
| Cavity insulation/external enveloping/central heating replacements | 1,168 | 1,164 | 615 | 747 | 669 |
| Roofing | 312 | 276 | 278 | 82 | 236 |
| Estate Improvements/Door entry systems/Digital TV | 163 | 128 | 58 | 84 | 192 |
| Extensions to Council dwellings | 9 | 120 | 147 | 152 | 174 |
| General and structural | 348 | 1,600 | 1,804 | 1,558 | 1,605 |
| Kitchens and bathrooms | 138 | 193 | 106 | 170 | 458 |
| Smoke Detectors/Co2 detectors | - | 110 | 41 | 62 | 132 |
| Lift upgrades | 43 | 92 | 31 | - | 49 |
| uPVC window replacements | 105 | 113 | 20 | 140 | 57 |
| Alarm systems | 36 | 125 | 52 | 38 | 17 |
| Temporary accommodation | - | - | 339 | 4 | - |
| Warden Flat conversions | - | - | 1 | 18 | 44 |
| TOTAL | 2,679 | 4,424 | 4,016 | 3,635 | 4,224 |

The Council is able to meet the Decent Homes standard within its existing resources. The table below shows the projected expenditure on improvements/maintenance to the Council's existing housing stock to 2010/2011 and the projected income from Right To Buy receipts and the Major Repairs Reserve. Further information can be found at Appendix 7 and 9.

| | 2004/05 Estimate £'000 | 2005/06 Estimate £'000 | 2006/07 Estimate £'000 | 2007/08 Estimate £'000 | 2008/09 Estimate £'000 | 2009/10 Estimate £'000 | 2010/11 Estimate £'000 |
|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Expenditure | 6,672 | 6,738 | 6,857 | 6,596 | 6,772 | 7,289 | 6,309 |
| RTB | 5,685 | 4,572 | 3,343 | 1,995 | 2,081 | 2,170 | 2,261 |
| Other | 10,045 | 0 | 0 | 0 | 0 | 0 | 0 |
| MRR | (9,058) | 2,166 | 3,514 | 4,602 | 4,691 | 5,119 | 4,048 |
| Major Repair Reserve | 6,672 | 6,738 | 6,857 | 6,597 | 6,772 | 7,289 | 6,309 |

The above table shows that there are sufficient resources available to meet the Council's Capital Programme as summarised at Appendix 1A.

Revenue Expenditure

- 8.5 The main source of income for revenue expenditure is from rents. The income from dwellings is forecast at £17.5 million for 2004/05. The Council commenced rent restructuring in April 2002 and further information is included at Appendix 5.
- 8.6 Other sources of income include non-housing assets, primarily garages and shops, and the windfall arising from Supporting People. This windfall brought in additional resources of approximately £345,000 in 2003.04 (although this will reduce as passported residents move on), which has been allocated to tenant participation and Best Value initiatives.
- 8.7 The projected outturn for 2003/04 shows a balance carried forward of £595,000. The table overleaf shows the main budget headings and the estimated forecast for expenditure up to 2010/11

Housing Revenue Account: Expenditure

| | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--|---------|-----------|----------|----------|----------|----------|----------|----------|----------|
| | Outturn | Projected | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | | | | | |
| Rents - Dwellings | 18,550 | 18,962 | 18,256 | 19,095 | 19,973 | 20,892 | 21,855 | 22,862 | 23,917 |
| Interest Received | 78 | 86 | 53 | 104 | 156 | 207 | 257 | 305 | 351 |
| | 18,628 | 19,048 | 18,309 | 19,199 | 20,129 | 21,099 | 22,112 | 23,167 | 24,268 |
| Expenditure | | | | | | | | | |
| Supervision and Management | 4,084 | 4,172 | 4,347 | 4,473 | 4,604 | 4,737 | 4,873 | 5,014 | 5,159 |
| Repairs | 3,008 | 3,012 | 2,732 | 2,835 | 2,940 | 2,973 | 3,025 | 3,079 | 3,133 |
| Rebates | 7,567 | 7,881 | 169 | 96 | 22 | 0 | 0 | 0 | 0 |
| Cost of Capital | 564 | 702 | 623 | 623 | 623 | 624 | 582 | 557 | 430 |
| Major Repairs Allowance (Transfer to Reserves) | 4,054 | 3,217 | 3,655 | 3,680 | 3,726 | 3,773 | 3,821 | 3,869 | 3,918 |
| Distribution to the DWP (Negative Subsidy) | | | 5,571 | 6,243 | 6,988 | 7,771 | 8,634 | 9,515 | 10,537 |
| | 19,277 | 18,984 | 17,097 | 17,949 | 18,902 | 19,877 | 20,934 | 22,033 | 23,176 |
| | | | | | | | | | |
| Net cost/(surplus) of services | 649 | (64) | (1,212) | (1,250) | (1,227) | (1,222) | (1,178) | 1,134) | (1,092) |

- 8.8 The HRA has a relatively low debt outstanding, so that after Rent Rebates/ Negative Subsidy, the main items of expenditure are supervision and management, repairs and transfers to the Major Repairs Reserve (the Major repairs Allowance).
- 8.9 The effect of the changes involved from 2004.05 in paying rent rebates from the General Fund rather than the HRA will cost the HRA approximately £169,000 in year 1 reducing to zero in year 4.

Business Plan Financial Performance

- 8.10 We have recently updated the ODPM's HRA Business Plan financial model as a part of our current Options Appraisal, incorporating changes to reflect the effects on the HRA of the Local Government Act 2003, namely the removal of Minimum Revenue Provision and Admissible Set-Aside from 2004.05, and the tapering of usable RTB receipts to 25% in 2007.08.
- 8.11 The plan builds upon HRA budgets for 2004.05 as year 1, incorporates the outcome of a detailed review of our stock condition survey, and builds upon known changes to HRA subsidy and social housing rent and service charge policies. A detailed review of our HRA Business Plan, including sensitivity testing of areas of uncertainty and risk is attached at Appendix 7. The detailed Operating Account is attached at Appendix 8.
- 8.12 We have added a module to the Business Plan model to ask key questions about the long-term viability of the HRA, namely:
- Is the HRA in balance? We have measured this in two ways by asking:
 - Whether the HRA meets minimum balance requirements specified in the model; and
 - Whether on an annual basis the HRA balances.
 - Is there sufficient capital resource to meet the Council's standards? If there is, in view of the acute shortage of affordable housing in the District, we also ask how much could be allocated for additional affordable housing for each of the first 10 years, while retaining enough resources for the HRA's requirements.
- 8.13 The Table below sets out the answers to these questions under our "base case" (see Appendix 5) and the range of sensitivity analyses as noted. The sensitivity analyses were developed from an analysis of the base case HRA assumptions. They are designed to test how the "break even" position of the HRA changes with differing revenue cost growth assumptions, and how vulnerable the available investment resources are to variations in Right to Buys and real terms building works cost growth.
- 8.14 The key sensitivities developed are:
- 1 The Council uses the assumed SCE for HRA purposes.
 - 2 RTB numbers reduce to 50% of their historic level over the first 5 years.
 - 3 The real growth in subsidy does not materialise.
 - 4 Real growth in Management and Maintenance subsidy after rent convergence equals the real growth in management and maintenance costs.

- 5 Real growth in management and maintenance costs increases to 1% pa.
- 6 The assumed reduction in real growth in major works costs in years 11 onwards does not materialise.
- 7 The real growth in major works costs continues for the first 5 years and reduces after 10 years.
- 8 As 7 but does not reduce.

| Outcome of HRA Viability under specified sensitivity analyses | | | | | | | | | |
|--|------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Outcome | Base Case | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Revenue HRA | | | | | | | | | |
| Meet minimum balance requirements? | Yes | No | No | No | Yes | No | Yes | Yes | Yes |
| If not, year when first in deficit | | 26 | 22 | 16 | | 24 | | | |
| Balanced annually throughout? | No | No | No | No | No | No | No | No | No |
| If not, year when first in deficit | 15 | 12 | 11 | 7 | 20 | 11 | 15 | 14 | 14 |
| Capital | | | | | | | | | |
| Sufficient capital? | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes |
| If not, what is the 10-year deficit? | | | 0 | 0 | | | | | |
| If sufficient, 10-year enabling budget (millions) | £10 | £18 | £0 | £8 | £16 | £7 | £8 | £6 | £1 |

8.15 This analysis reveals a healthy position in the base case Housing Revenue Account with balances remaining in excess of the minimum requirement throughout the Plan. At the same time the investment available is more than enough to meet the Council's policies, which are in excess of the Decent Homes Standard.

8.16 The requirement for capital expenditure to eliminate non-decency within the housing stock and to ensure properties do not become non-decent is fully funded throughout the term of the plan as illustrated at Appendix 9 and the HRA always meets minimum balance requirements. Although the HRA's in-year position shows a deficit in year 15, accumulated balances are more than sufficient to sustain the HRA for the remainder of the 30-year period. Additionally by year 15 the projected stock level has fallen by over 850 homes to some 4,200, and staff and other operational cost savings would be available.

- 8.17 The sensitivity analysis also reveals a robust Business Plan position. The only sensitivity to show the HRA in deficit within 10 year is if government does not keep to its commitment to use real rental growth to fund additional Management and Maintenance Allowance subsidy. On investment available, the most adverse sensitivity – RTB receipts falling to 50% of recent levels, still shows sufficient resources to keep to the Council's standards for more than 10 years.
- 8.18 Overall we believe that this shows a robust financial position for the HRA, with no need to vary current policies as a consequence of resource shortages. The Council intends to keep the Business Plan under review at least annually and consider any changes needed to its policies as circumstances unfold.

External Sources of Funding

In addition to utilising its own finances the Council does take every opportunity to attract external funding in order to meet its priorities. This includes:

- The Housing Corporation's Approved Development Programme, which provided £18m in 2003/04 and is providing £2.4m in 2004/06
 - Funding from the Homelessness Directorate amounting to £39,988 in 2002/03 and 2003/04 to support homelessness initiatives within the District. Additional funding of £45,000 has been allocated for 2004/05 and £20,000 for 2005/06.
 - £200,000 E-Government funding in 2002/03 and 2003/04 for electronic service delivery
 - £30,000 from Community Legal Services Partnership to support a three year mediation service, which commenced in 2003/04
 - £143,201 Building Safer Communities Funding in 2003/04 and the same amount in 2004/05 and 2005/06. Approximately £105,000 to be spent on drug related projects
 - £39,000 in 2002/03 matched Government Grant funding to support cavity wall/loft insulation projects to the Council's housing stock with a similar sum envisaged for 2003/04 and 2004/05
 - £40,000 Government Innovation Grant allocated to tenant participation in Hertfordshire to develop tenant participation opportunities for black and minority ethnic groups and to develop the TP Herts website
 - £304,169 Planning Delivery Grant to support the planning process in 2004/05.
- 8.19 In addition S106 Planning Agreements provide a critical resource for funding infrastructure amenities thereby contributing to sustainable communities.
- 8.20 In conjunction with its partners the above resources help meet investment and service improvement objectives in relation to the local environment.

9. **Actions Completed Against Previous Targets**

The Housing Business Plan submitted in July 2002 contained a number of actions for the authority for 2002/03 and beyond. The most important key achievements are:-

- implementation of a repairs appointment system
- completion of a housing needs survey
- 85% of available HIP resources allocated to improve the Council's housing stock
- revised Tenant Compact.

The summary of actions completed against previous targets is shown at Appendix 6

10. **Consultation**

10.1 The Council considers the process of consultation with all residents to be a continuous one. The Council has recently produced a Communications Strategy, which sets out how the Council will consult with its customers. The key housing related consultation methods which have helped to inform this Business Plan are listed below:-

- Best Value Reviews in relation to the repairs and housing management service
- Housing consultative Forums
- Residents Conference held in July 2003
- Tenant Satisfaction Survey completed in March 2001 and March 2004
- Housing Strategy Conference held in May 2003
- feedback from focus groups and satisfaction surveys

The key issues arising from the above, which have influenced our priorities are:-

- meeting Decent Homes Standard
- implementing additional improvements to the housing stock
- addressing anti-social behaviour
- maximising the existing housing stock
- continuing with improvements to the housing service
- affordable housing which is addressed within the Housing Strategy
- enhancing tenant participation in the housing service

11. **Priorities**

In deciding on the key priorities for this Business Plan, we took into account the results of consultation with tenants and leaseholders, tenant status survey, resources available within Housing Investment Programme and Housing Revenue Account and through external partnership working. In addition we also considered:-

- the issues of greatest concern to tenants and leaseholders
- national and regional policies as set out in the Housing Strategy
- Council's Corporate Aims and Objectives
- outcomes of the housing needs survey and stock condition survey
- legislative changes
- best practice
- how the Council's own housing stock assists in meeting the actions and priorities within the Housing Strategy

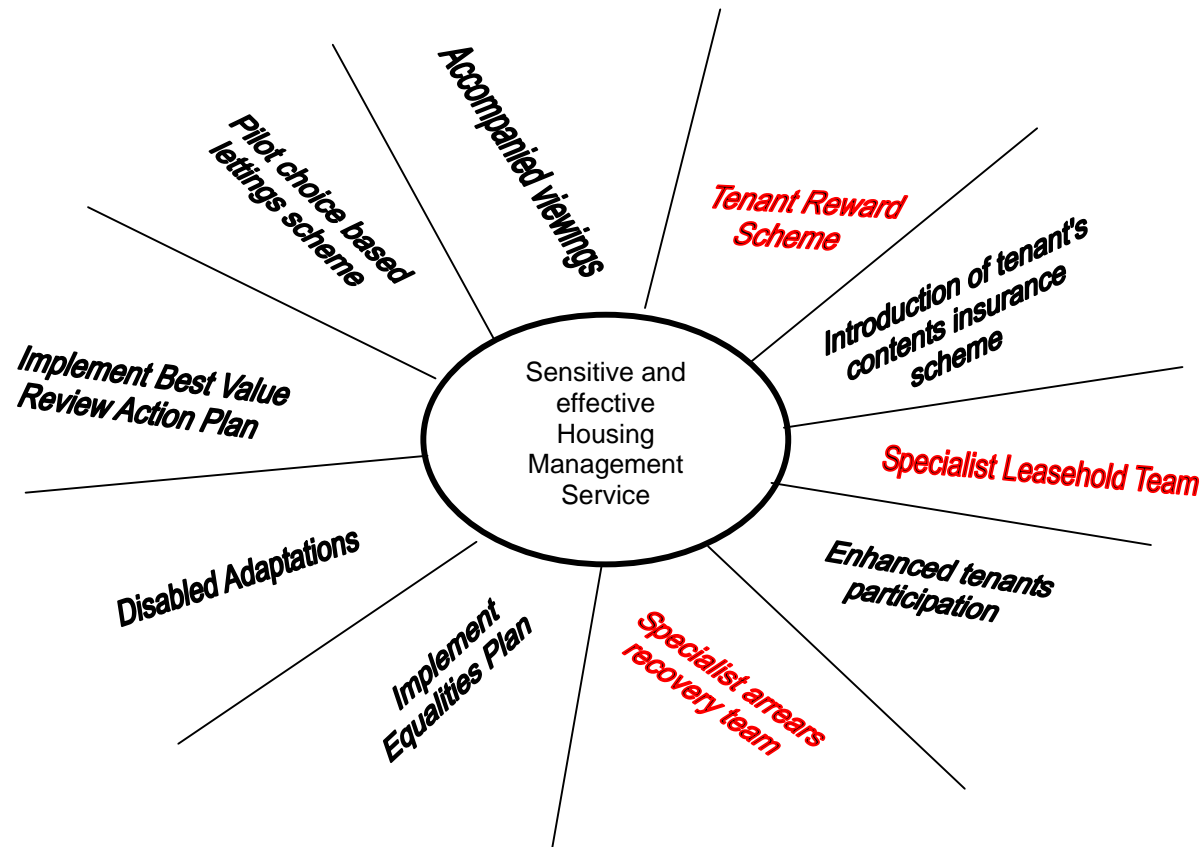
The four key Business Plan priorities are:-

- to deliver a sensitive and efficient housing management service to tenants and leaseholders which is subject to continuous improvement
- to address issues around anti-social behaviour and make local communities safer places to live and work
- to sustain a rolling programme of planned maintenance and improvements so as to maintain the stock in decent condition
- to maximise the involvement of tenants and leaseholders in the running of the housing management service

The priorities are summarised diagrammatically overleaf together with explanations on why certain actions are not being pursued. The action plans at appendix 7 illustrate how the priorities will be delivered. Information on how these priorities were selected can be found in the Business Plan.

PRIORITY ONE

To deliver a sensitive and efficient housing management service to tenants and leaseholders which is subject to continuous improvement

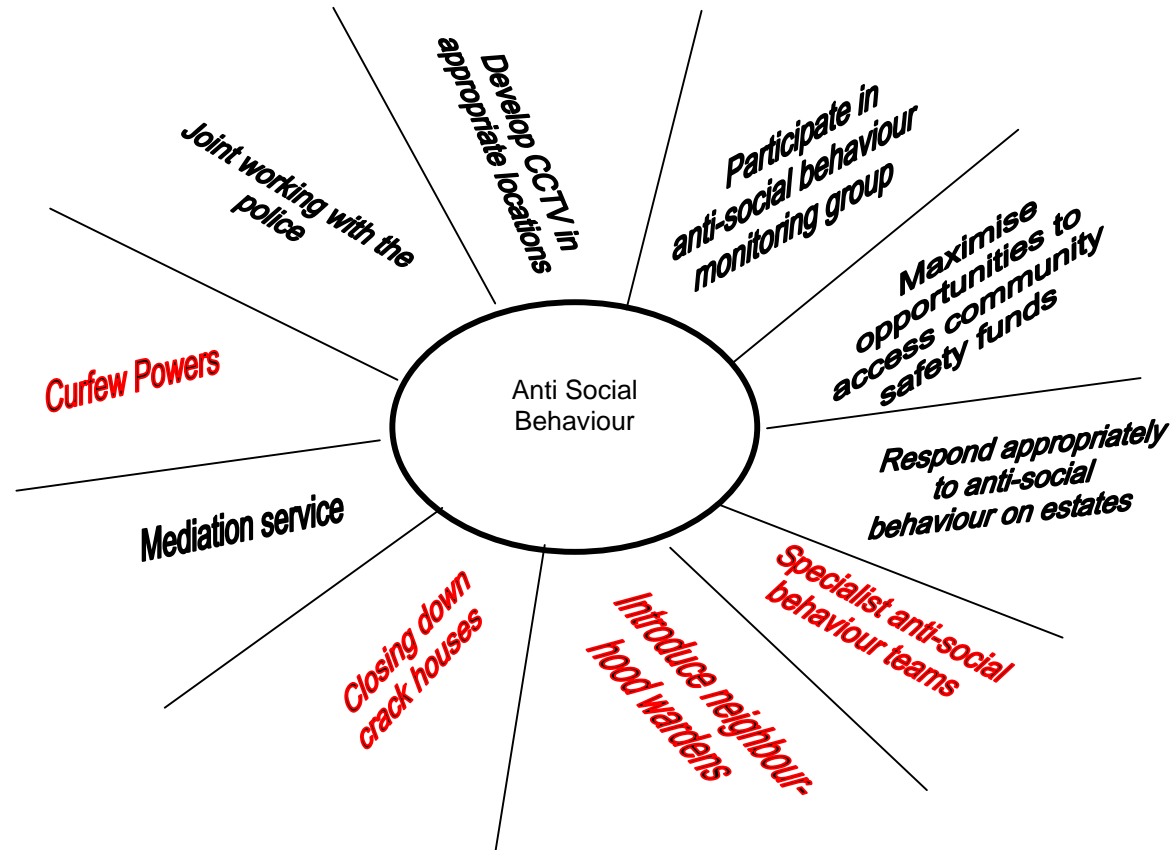


The following actions are not being pursued

- 1) Specialist Arrears Recovery Team - current arrears collection figures do not warrant this approach and a generic approach is favoured.
- 2) Tenant Reward Scheme - no significant housing management issues that this would resolve.
- 3) Specialist Leasehold Team - Council previously employed a dedicated leasehold manager which proved not to be an effective use of staff resources.

PRIORITY TWO

To address issues around anti-social behaviour and make local communities safer places to live and work.

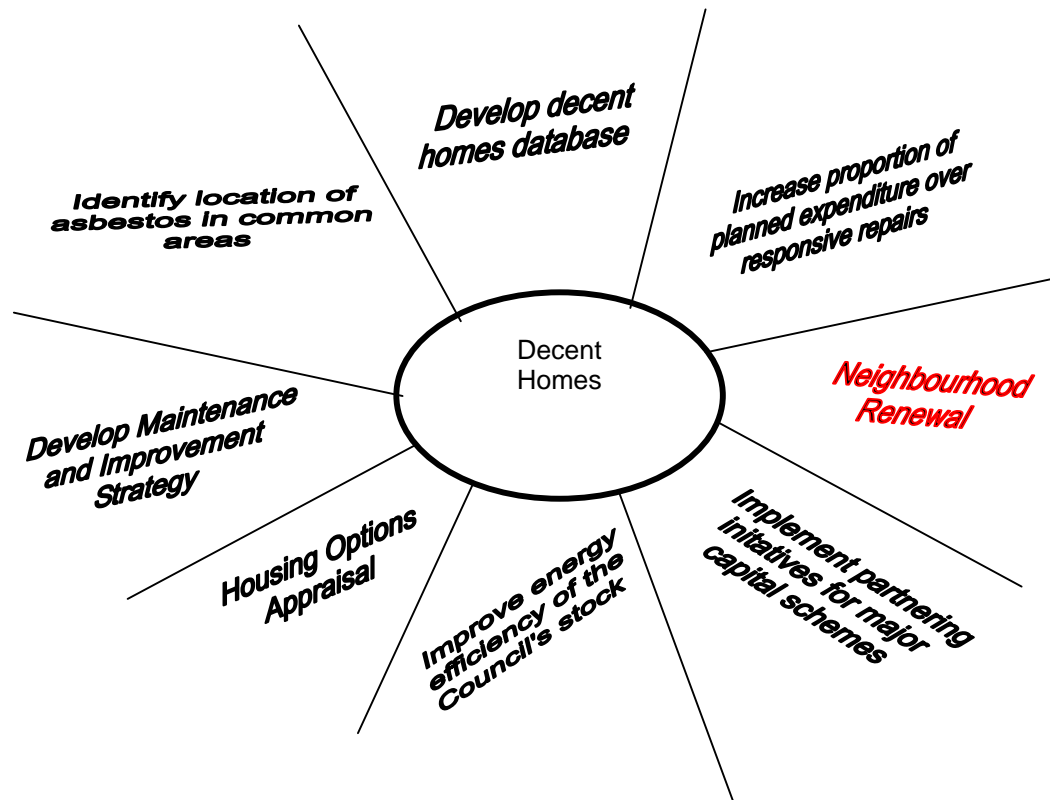


The Council has not adopted the following options:

- 1) Curfew powers - these have not yet been necessary
- 2) Closing Crack Houses - this has not yet become necessary
- 3) Neighbourhood Wardens - level of anti-social behaviour has not warranted this approach to date, but is under review
- 4) Specialist anti-social behaviour teams - as above

PRIORITY THREE

To sustain a rolling programme of planned maintenance and improvements so as to maintain the stock in decent condition.

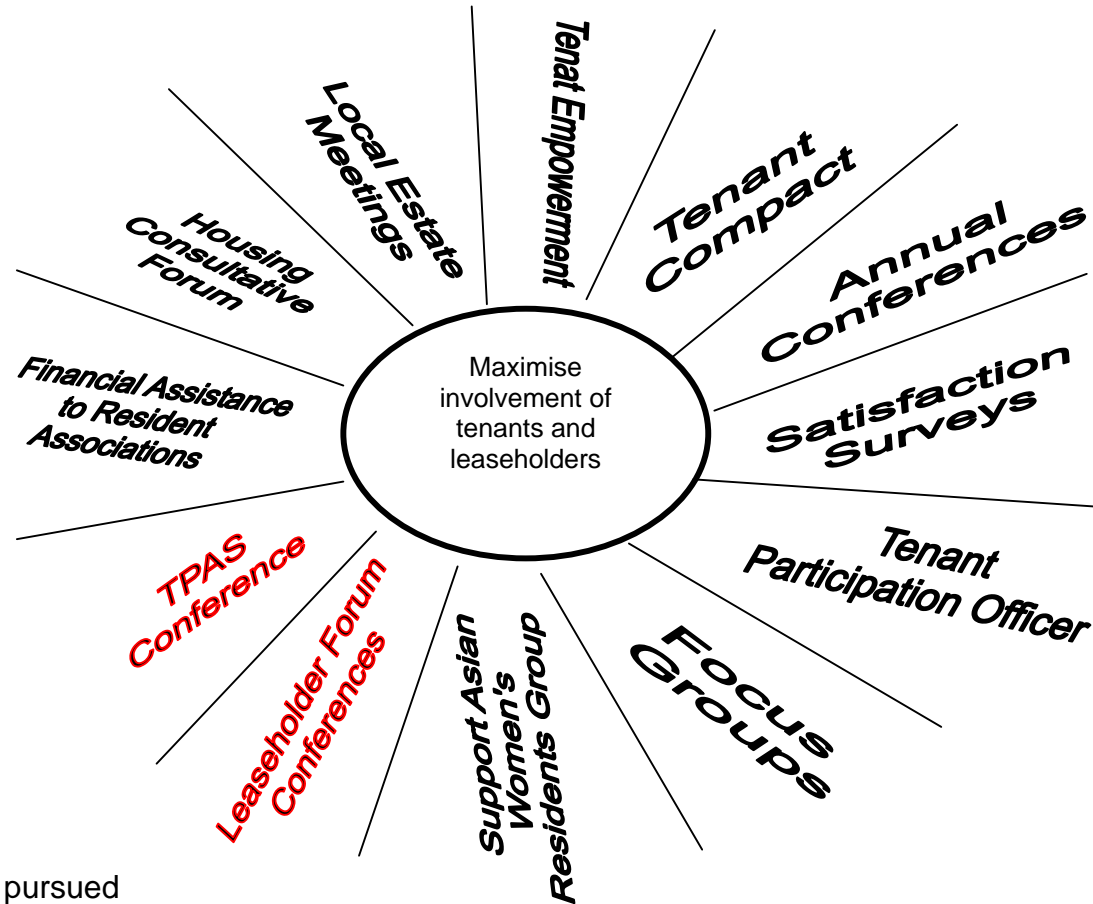


The Council has not adopted the following options:

- 1) Neighbourhood Renewal - neighbourhood renewal is not being pursued as stock condition is generally good and this approach is not warranted.

PRIORITY FOUR

To maximise the involvement of tenants and leaseholders in the running of the housing management service.



The following actions are not being pursued

- 1) Supporting tenants to attend national conferences due to difficulties in finding tenants willing to attend over a weekend
- 2) Leaseholders Forum not yet pursued due to staffing resources.

Priorities will continue to be reviewed through updates to the HRA Business Plan

12. Action Plan

12.1 Appendix 7 details our key actions over the next three years under each of the priorities and how these link to the Council's Corporate Aims and Objectives. In addition the action plan identifies the resources, lead officer(s) and the expected outcomes.

The actions in the Business Plan will be monitored by Members through the Service Planning process which is reported to Overview and Scrutiny (Community Services) every quarter. In addition the Portfolio Holder for housing receives regular progress reports on key actions within the Service Plan. Tenants and leaseholders will provide input into the monitoring process with progress reports provided on actions completed, those still in progress with outcomes, through the Housing Consultative Forum which consists of resident association representatives across the District which meets quarterly with Senior Officers and Members, Housing Times Newsletter which is also distributed quarterly and the Tenants and Residents Annual Conference. These forums will provide tenants and leaseholders with the opportunity to review progress with the Action Plan set out at Appendix 7 and to review priorities set out in the Business Plan.

Further feedback from tenants and leaseholders will arise throughout the Housing Options Appraisal process, which in itself will inform the annual update to this Business Plan.

The arrangements for monitoring user satisfaction and quality of services provided are summarised in the table below.

| Method of Monitoring Quality of Services | Frequency |
|---|--|
| Tenant/Residents Conference | Annual |
| Housing Consultative Forum | Quarterly |
| Tenant Satisfaction Survey | Completed 2003/04 Survey next due 2006/07 |
| Housing Times Newsletter | Quarterly |
| Satisfaction Survey - Repairs | Monthly |
| Satisfaction Survey - Capital Improvements | On completion of improvement schemes |
| Telephone Poll - Repairs | Annual |
| Customer complaints/compliments | Annual |
| Satisfaction Survey - Estate services | Quarterly |

In addition to the above the Council has carried out a post scheme evaluation where major initiatives have been implemented. A recent example is the repairs appointment system where a survey was carried out after six months. The survey results showed that 84% of tenants surveyed confirmed that appointments had been made and kept and 80% gave positive feedback on the new service.

Information from the above surveys, forums and conferences will feed into the planning process for updating the Housing Revenue Account Business Plan and key methods are detailed in the Action Plan at Appendix 7.

The Government will be assessing whether the Council's Housing Revenue Account Business Plan is 'fit for purpose' and assuming this is positive the Council will only be required to provide an annual report on delivery against the actions detailed at Appendix 7 and its work on further development of the plan.

The annual update in addition to the mechanisms listed above in relation to monitoring the action plans will be reported to Cabinet and Council for approval.

MAJOR WORKS PROGRAMME 2004/2010

| Category of work | 2004/5 | 2005/6 | 2006/7 | 2007/8 | 2008/9 | 2009/10 | Total |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Disabled Adaptations | 584000 | 599000 | 614000 | 629000 | 645000 | 693000 | 3764000 |
| Extensions to Council Properties | 200000 | 205000 | 210000 | 215000 | 221000 | 243000 | 1294000 |
| Cavity/Loft Insulations | 40000 | 40000 | 42000 | 44000 | 47000 | 49000 | 262000 |
| Estate Improvements | 80000 | 80000 | 80000 | 85000 | 85000 | 90000 | 500000 |
| Lift Upgrades | 35000 | 35000 | 20000 | 20000 | 20000 | 20000 | 150000 |
| Renewal of Heating Systems | 310000 | 438000 | 446000 | 462000 | 479000 | 497000 | 2632000 |
| Communal Heating | 30000 | 80000 | 30000 | 39000 | 30000 | 50000 | 259000 |
| Smoke Detectors | 100000 | 0 | 0 | 0 | 0 | 0 | 100000 |
| Hard Wired Smoke Detectors | 72000 | 10000 | 10000 | 10000 | 5000 | 5000 | 112000 |
| Door Entry Systems | 550000 | 175000 | 230000 | 95000 | 95000 | 75000 | 1220000 |
| General and Structural | 1310000 | 1300000 | 1500000 | 1500000 | 1500000 | 1500000 | 8610000 |
| Alarm Systems | 12000 | 3000 | 25000 | 26000 | 28000 | 28000 | 122000 |
| External Enveloping/Wall Treatment | 128000 | 330000 | 200000 | 210000 | 220000 | 120000 | 1208000 |
| Re-Roofing | 282000 | 415000 | 667000 | 581000 | 855000 | 401000 | 3201000 |
| Electrical Rewiring | 153000 | 53000 | 81000 | 182000 | 347000 | 173000 | 989000 |
| pvcu Glazed Screens | 45000 | 0 | 0 | 0 | 0 | 0 | 45000 |
| Solar Energy Project | 70000 | 0 | 0 | 0 | 0 | 0 | 70000 |
| Kitchen/Bathroom Modernisations | 579000 | 567000 | 833000 | 851000 | 365000 | 553000 | 3748000 |
| Removal of Asbestos | 20000 | 50000 | 50000 | 53000 | 53000 | 53000 | 279000 |
| UPVC Window Replacement | 543000 | 585000 | 329000 | 294000 | 414000 | 460000 | 2625000 |
| Ridgeview | 300000 | 300000 | 0 | 0 | 0 | 0 | 600000 |
| Road Resurfacing | 40000 | 0 | 0 | 0 | 0 | 0 | 40000 |
| DDA Works | 60000 | 40000 | 40000 | 0 | 0 | 0 | 140000 |
| Installation of Digital TV Aerials | 50000 | 50000 | 50000 | 50000 | 50000 | 50000 | 300000 |
| Total | 5593000 | 5355000 | 5457000 | 5346000 | 5459000 | 5060000 | 32270000 |

Appendix 1

CAPITAL PROGRAMME 2004-2010

| | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenditure required to eliminate non-decency within housing stock | £576,360 | £551,834 | 0 | 0 | 0 | 0 |
| Expenditure required to ensure properties do not become non-decent | £1,148,640 | £1,438,166 | £2,152,000 | £2,162,000 | £2,248,000 | £1,756,000 |
| Expenditure on other works including improvements | £3,868,000 | £3,365,000 | £3,305,000 | £3,184,000 | £3,211,000 | £3,304,000 |
| TOTAL | £5,593,000 | £5,355,000 | £5,457,000 | £5,346,000 | £5,459,000 | £5,060,000 |

Best Value Performance Indicators - Outturns 2002/03

| Indicator | 2001/02 | 2002/03 | Top Quartile Perf 2002/03 | District Council's Average 2002/03 | Target 2003/04 | Target 2004/05 | Target 2005/06 |
|---|---------|--------------------|------------------------------|---|--------------------------------------|-------------------|-------------------|
| The average SAP rating of local authority dwellings | 56 | 57 | 63 | 59 | 59 | 60 | 61 |
| Rent collected as a % of rent due | 99.5% | 98.7% | 98.7% | 97.6% | 99.9% | 99.9% | 100% |
| The proportion of Council homes which were non-decent at 1 April 2002 | N/A | 11% | 20% | 34% | 10.5% | 6.5% | 3.0% |
| The percentage change in proportion of non-decent Council homes between 1 April 2002 and 1 April 2003 | N/A | 4% | 22% | 14% | 38% | 54% | 100% |
| Satisfaction of tenants with the overall service | 82% | 82% | 86% | 80% | Survey 2003/04 to establish baseline | | |
| Satisfaction black and minority ethnic | 76% | 76% | 87% | 73% | Survey 2003/04 to establish baseline | | |
| Satisfaction non-black and minority ethnic tenants | 83% | 83% | 84% | 80% | Survey 2003/04 to establish baseline | | |
| The percentage of responsive repairs during 2002/03 for which the Council both made and kept an appointment | - | Establish baseline | | | 85% | 88% | 90% |

Housing Service - Local Performance Indicators

| Performance Indicator | 2001/02 | 2002/03 | 2003/04 (Provisional) | Target 2003/04 | Target 2004/05 |
|--|----------------|----------------|----------------------------------|---------------------------|---------------------------|
| % of new tenants interviewed within 1 month of commencement of tenancy | 96% | 89% | 92% | 95% | 97/5% |
| No more than 1% of Council homes to be empty at any time | 1% | 0.7% | 0.6% | 0.7% | 0.7% |
| % of undisputed invoices processed and paid within 30 days | - | 93% | 93% | 99% | 99% |
| Complete 50 additional rented social housing units ready for occupation through housing associations | 44 | 45 | 7 | 50 | 150 |
| The rent arrears of current tenants as a proportion of the Council's rent roll | 1.9% | 1.8% | 2.0% | 1.7% | 1.6% |
| The average time to relet dwellings | 36 days | 35 days | 25 days | 28 days | 22 days |
| The percentage of repairs completed within government time limits | 91% | 89% | 95% | 95% | 96% |

Hertfordshire Best Value Performance Indicators

2002/03 Benchmarking (Outturn)

| Indicator | St Albans | Dacorum | Broxbourne | Three Rivers | North Herts | Welwyn/ Hatfield | Watford | Stevenage | East Herts | Hertsmere | Top Quartile Perf 2002/03 |
|---|-----------|-----------|------------|--------------|-------------|---------------------|-----------|--|------------|-----------|------------------------------|
| The average SAP rating of Council owned dwellings (energy efficiency) | 57 | 66 | 63 | 54 | 55 | 74 | 60 | 63 est. pending stock condition survey | N/A | N/A | 63 |
| The rent collected as a percentage of the rent due | 98.7% | 97.02% | 98.8% | 98.2% | 99.3% | 96.4% | 98.1% | 98.2% | N/A | N/A | 98.7% |
| The average length of stay in bed and breakfast accommodation of households which included dependent children or pregnant women and which are unintentionally homeless and in priority need | 0.0 weeks | 0.0 weeks | 5.0 weeks | 6.0 weeks | 3.0 weeks | 0.0 weeks | 0.0 weeks | 0.0 weeks | 15 weeks | 9 weeks | 0.6 |

| Indicator | St Albans | Dacorum | Broxbourne | Three Rivers | North Herts | Welwyn/ Hatfield | Watford | Stevenage | East Herts | Hertsmere | Top Quartile Perf 2002/03 |
|--|-----------|---------|------------|--------------|-------------|---------------------|----------|--|------------|-----------|------------------------------|
| The average length of stay in hostel accommodation of households which included dependent children or pregnant women and which are unintentionally homeless and in priority need | 16 weeks | 7 weeks | 58 weeks | 0.0 weeks | 31 weeks | 16 weeks | 44 weeks | 5 weeks | 22 weeks | 31 weeks | 0.0 |
| The proportion of Council homes which were non-decent at 1 April 2002 | 11% | 11% | 5% | 48% | 28% | 18% | 28% | 72% pending results Stock Cond Survey | N/A | N/A | 20% |

| Indicator | St Albans | Dacorum | Broxbourne | Three Rivers | North Herts | Welwyn/ Hatfield | Watford | Stevenage | East Herts | Hertsmere | Top Quartile Perf 2002/03 |
|--|---|---------|------------|--------------|-------------|---------------------|----------------|-----------|------------|-----------|------------------------------|
| The percentage change in proportion of non-decent Council homes between 1 April 2002 and 1 April 2003 | 4% | 48% | 30% | 32% | 5% | 15% | 7% | 6% | N/A | N/A | 22% |
| The percentage of responsive repairs during the year which the Council both made and kept | Appointment system implemented March 2003 0% | 92% | 99% | 88% | 92% | 25% | No appt system | 14.25% | N/A | N/A | 57% |
| The proportion of unfit private sector dwellings made fit or demolished as a direct result of action by the local authority | 2.7% | 5.0% | 1.1% | 10.6% | 0.8% | 3.2% | 2.7% | 4.4% | 1.2% | 0.2% | 4.0% |
| The number of private sector vacant dwellings that are returned into occupation or demolished during 2003/04 as a direct result of action by the local authority | 0 | 31 | 28 | 0 | 1 | 0 | 13 | 6 | 4 | 0 | 18 |

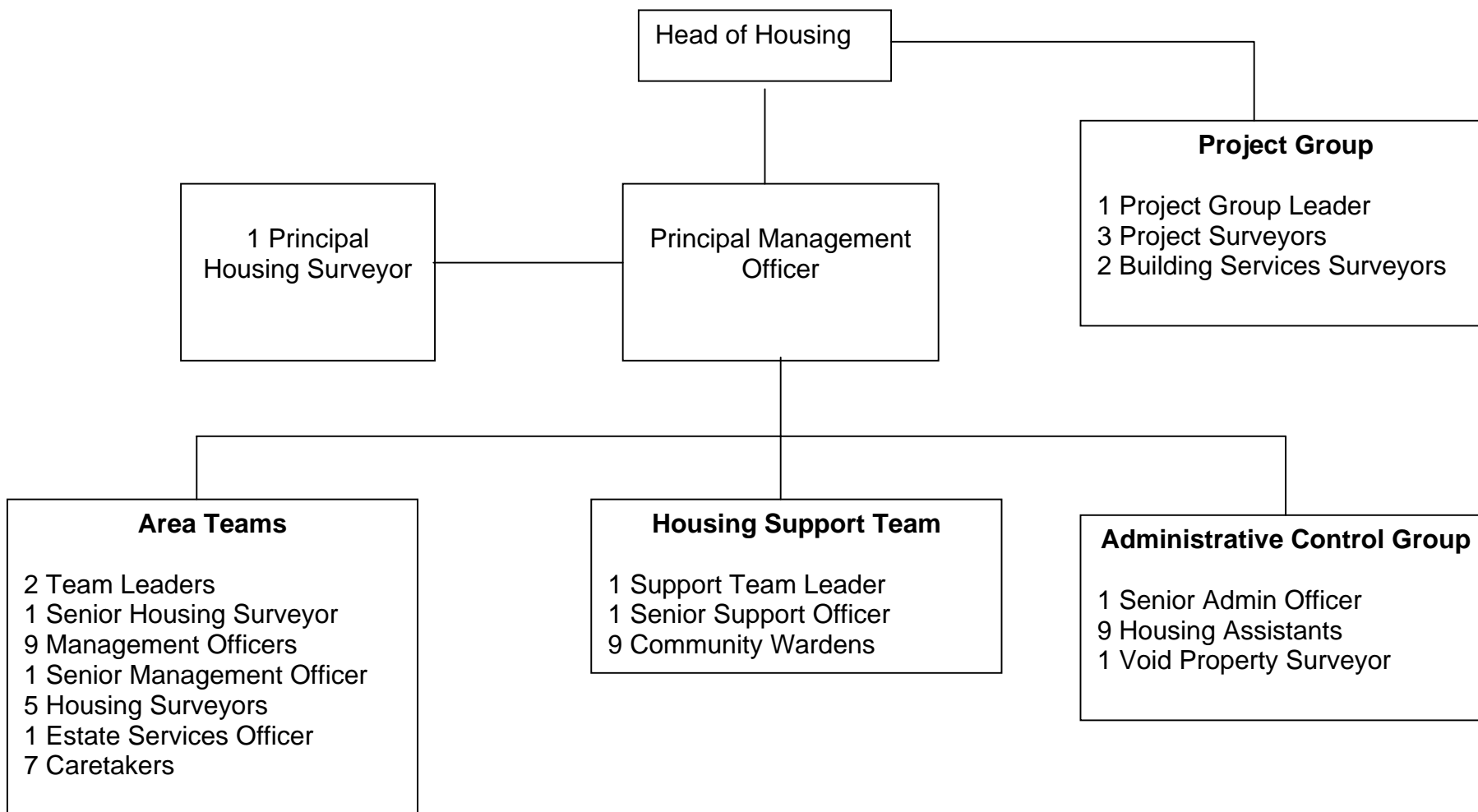
CUSTOMER PERCEPTION OF OUR SERVICE

SOURCE – STATUS SURVEY MARCH 2004

| Performance Indicator | Response % | |
|--|-------------------------------|------------------------------|
| Satisfaction with the overall service provided by your landlord | 84% | |
| Satisfaction with overall service provided by landlord for BME groups | 80% | |
| Satisfaction with overall service provided by landlord for non-BME groups | 84% | |
| Satisfaction with the opportunities for participation in management and decision making | 58% | |
| Satisfaction with opportunities for participation for BME groups | 63% | |
| Satisfaction with opportunities for participation for non-BME groups | 56% | |
| Rating for the value for money of the rent on their property | 78% | |
| Satisfaction with their accommodation | 85% | |
| Satisfaction with the area as a place to live | 83% | |
| How well the landlord keeps tenants informed about things that might affect them | 86% | |
| Satisfaction with the locally agreed Tenant Participation Compact | 56% | |
| Respondents who contacted the Council stating that it was easy to get in touch with the relevant person | 78% | |
| Proportion of respondents who found the member of staff who dealt with them to be helpful | 85% | |
| Proportion of respondents who stated that the member of staff they contacted was able to deal with their problem | 81% | |
| Proportion of respondents who expressed satisfaction with the final outcome of their query | 72% | |
| Proportion of respondents that think that specified issues are a problem in their area:- | <u>Serious Problem</u> | <u>Slight Problem</u> |
| i) Litter and rubbish in street | 17% | 42% |
| ii) Dogs | 9% | 24% |
| iii) Vandalism | 15% | 37% |
| iv) Other Crime | 9% | 25% |
| v) Noise from people | 9% | 22% |
| vi) Noise from traffic | 9% | 19% |
| vii) Drug dealing | 8% | 16% |
| viii) Problems with neighbours | 7% | 15% |
| ix) Graffiti | 5% | 23% |
| x) People causing damage to home | 4% | 7% |
| xi) Racial Harassment | 3% | 5% |

| Performance Indicator | Response % | |
|--|-------------------------|-------------------------|
| Of the following services which three are most important:- | | |
| Repairs and Maintenance | 81% | |
| Overall Quality of Home | 58% | |
| Value for money for rent | 56% | |
| How much do the following services need improving:- | Much Improvement | Some Improvement |
| Keeping tenants informed | 9% | 38% |
| Quality of Home | 10% | 44% |
| Taking tenants' views into account | 16% | 37% |
| Repairs and Maintenance | 12% | 37% |
| Involving tenants in the management of their housing | 11% | 31% |
| Value for money for rent | 10% | 33% |
| Which three of the following do you think should be the Council's priorities for investment in Council owned housing:- | | |
| Kitchens/bathrooms | 52% | |
| Estate Improvements | 32% | |
| Car Parking | 31% | |
| Adaptations for Disabled People | 28% | |
| Sound Proofing | 26% | |
| Cavity Wall/Loft Insulation | 25% | |
| uPVC windows | 24% | |
| Door Entry Systems | 24% | |
| Roofing | 15% | |
| Digital TV | 9% | |

Structure Chart : The Landlord Function



**Best Value Review Update – Housing Repairs (Year 1 Review 2000/2001)
Action Plan Update**

| Option for Service Improvement | Current Status |
|---|---|
| Introduce an appointment system for housing repairs | Implemented March 2003 |
| Enhanced monitoring of contractors performance | Contractor monitoring commenced in May 2001 and quarterly meetings are held with the main contractors. A quarterly meeting is held with all contractors |
| Rebadge and redefine the out of hours repairs service | Service relaunched as emergency repairs service in October 2001 |
| Review communication arrangements: i. Rewrite housing handbook ii. Establish repair reporting by e.mail iii. Greater use of Housing Times newsletter iv. Produce a range of repair leaflets | i. Housing Handbook distributed to all tenants February 2004 ii. Completed iii. One repair item now in each newsletter iv. Ongoing |
| Make fuller use of Orchard IT system | Arrangements ongoing. Budget funding in place for document imaging equipment. Training for staff to be arranged |
| Streamline repair completion timescales and review all procedures | Repair completion timescales reviewed and changes implemented in April 2002. Procedure now in progress |
| Undertake stock condition survey | Survey completed April 2002 |
| Overhaul of vacant property procedure | Procedure reviewed over the summer of 2001 and updated in September 2002 |
| Explore potential for partnering arrangements | Partnering arrangements in place for cavity wall/loft insulation and replacement uPVC windows. To be extended to kitchen and bathrooms during 2004/05 |

Best Value Review Update – Housing Management (Year 2 Review 2001/2002)

ACTION PLAN UPDATE

| Option for Service Improvement | Current Status |
|--|--|
| Review Tenant Compact | Revised Tenant Compact distributed to all tenants in February 2004 |
| Improved access to the housing service | Ongoing programme of translating all leaflets. Membership of Language Line in October 2002 |
| Annual residents conference | Conference held in July 2003 |
| Provide increased financial assistance to residents associations | £4,000 set aside annually from 2002/03 to support resident associations |
| Comprehensive up to date information for tenants and leaseholders about their rights, responsibilities and service standards | Housing Handbook updated and distributed to all tenants in February 2004. Pilot Accompanied Viewing Scheme to be implemented in February 2004 |
| Complete Housing Needs Survey covering the needs of BME residents | Completed April 2003 |
| Develop a specialist casework approach to tenancy management | Tenancy Management Support service for 25 tenants established during 2002/03 in partnership with a local housing association. |
| Develop revised procedures and service standards in partnership with Councillors, staff and resident association representatives | Rolling programme of updating procedures to be completed by July 2005 |
| Maximise the existing housing stock | Disabled adaptation procedures reviewed during 2002/03. Garage site review now underway. Review of retirement housing scheduled for 2004/05 |
| Review and update void management procedures | Lettable Standard produced for voids in consultation with resident association representatives. Weekly void monitoring meetings now held. |

| Option for Service Improvement | Current Status |
|--|--|
| Improve staff responsibility and accountability | Housing Management Service restructured in October 2003 |
| Reorganise caretaking service | Estate Services Officer post implemented in October 2003. Caretaking service to be reviewed by March 2005 |
| Introduce methods of supporting and supervising staff | Annual appraisals implemented 4 supervision meetings held following staff appraisal |
| Efficient use of IT and information management systems | Kiosks to be installed in the Council's main reception during 2004/05 Digital TV pilot scheme completed on one estate Information on the housing services provided incorporated within the Council's website |

Actions Completed Against Previous Targets

| ACTION | BY WHOM | BY WHEN | ACHIEVEMENT DURING 2002/03 |
|--|---|---------------------------|--|
| Stock Condition: | | | |
| Complete a 10 year major works programme incorporating decency | Housing | January 2003 | Revised target December 2003 |
| Complete tenant consultation on 10 year works programme and increase their participation in business planning process | Housing/Housing Consultative Forum | December 2002 | Residents Conference Programmed |
| Ensure that at least 65% of available Housing Investment Programme resources each year are used for renovations to Council Stock | Housing/Finance Subject to Cabinet approval | On-going | 85% |
| Develop an Excel database to show stock condition and upgrade on completion of works | Housing | November 2002 and ongoing | Completed |
| Transfer of stock database from Excel database to full integration with Council's Orchard system | Housing | March 2003 | Revised target 2004/05 |
| Complete garage site review | Housing | April 2004 | Two sites identified for affordable housing |
| Continue with ongoing review of retirement accommodation | Housing | On-going | Increased publicity and appointment of Community Wardens |
| Develop disaggregated data at a lower level than whole HRA | Housing/Finance | July 2003 | Revised target 2004/05 |

| ACTION | BY WHOM | BY WHEN | ACHIEVEMENT DURING 2002/03 |
|---|------------------------------------|----------------|--|
| Service Performance: | | | |
| Implement the action plan set out in the Best Value Review of the Repairs Service | Housing | April 2004 | Appointment system implemented March 2003 |
| Implement the action plan set out in the Best Value Review of the Housing Management Service | Housing | July 2005 | Increased financial assistance for residents associations; Updated Housing Website;. Membership of Language Line; Tenancy Management Service |
| To achieve an average re-let time of 22 days | Housing | 2004/05 | 35 days |
| To increase the level of satisfaction by tenants with the overall service to 90% | Housing | 2004/05 | Survey to be carried out October 2003 |
| Review the Tenant Participation Compact | Housing/Housing Consultative Forum | October 2002 | Completed |
| Implementation of e-government to Housing Management Services | Housing/IT | April 2005 | Updated Housing Website |
| Links to other Corporate Strategies: | | | |
| Completion of Housing Needs Survey | Housing | November 2002 | Completed |
| Secure provide social housing grant to housing associations for the provision of at least 70 additional units of rented accommodation each year | Housing | On-going | 45 additional units |

The Housing Revenue Account: Financial Analysis

1 Approach and Modelling

- 1.1 The financial analysis of the HRA has been undertaken using the ODPM HRA Business Plan model using the 30-year option. The latest model available is the 2002 v8 version, which does not reflect the significant changes in regulation that have been implemented from 2004.05. The following list sets out these changes and how we have dealt with them in our modelling:
 - 1.1.1 Removal of the need for Admissible Set-Aside and other set-aside from capital receipts – setting the Admissible Set-Aside (column I) to zero in Table 10 (Subsidy Cr Ceiling) and ensuring that Reserved Capital receipts (column H) remain at zero;
 - 1.1.2 Removal of the need for Minimum Revenue Provision and other reserved receipts – setting Capital receipts and HRA Set Aside (columns H and I) to zero in Table 11 (HRA Cr Ceiling);
 - 1.1.3 Retained RTB receipts declining to 25% by 2007.08 – we have used the facilities in the “Inc 4 RTB” sheet to reflect the declining proportion of retained receipts as specified by Government;
 - 1.1.4 Admissible Allowance and payment of HB from the General Fund – these changes have been assessed as having negligible effect in St Albans.
- 1.2 We have also added a key output sheet to the model to show the answers to the basic financial viability questions as set out in paragraph 9.12 of the main narrative, and have also developed chart outcomes of the revenue and capital positions. These have been particularly useful in our Options Appraisal and consideration of the HRA “as is” position.

2 The Base Case HRA Model Assumptions

- 2.1 The base case HRA model is founded upon initial budgets that replicate the Council's 2004.05 budgets (so that year 1 is 2004.05), and project the various income and expenditure components over the future 29 years. The basis of the projections reflects the following major items:
 - **Implementation of the Government's rent convergence and service charge policies.** As noted in previous HRA Strategies, we have assumed that the Government's rent convergence policies will be implemented and that the Council's rents will increase steadily to the equivalent RSL levels by 2011.12, and will then grow by 0.5% per annum. This is illustrated in the chart at Appendix 10. We have also assumed that the Council applies charges for caretaking and grounds maintenance in respect of flatted blocks.

- **Void and Bad Debt losses are as shown in the Table below.**

| Proportion of rent and service charge income lost | Void loss | Bad Debts |
|---|-----------|-----------|
| General Need stock | 0.83% | 0.80% |
| Retirement stock | 2.00% | 0.80% |

These levels reflect current performance, and the relatively unpopular nature of the Council's bedsitting room retirement flats.

- **Garage and shop income reflects current levels and grows with RPI only.**
- **Implementation of the Government's stated intentions on implementing revised Management and Maintenance Allowance subsidy calculations.** We have assumed that the Government continues to implement its commitment to applying real HRA rental growth to improving the subsidy allowances for management and maintenance towards their full formula levels. We have assumed that the corresponding "re-basing" real growth will be 2% per annum (slightly less than in the years to date), and have applied this real growth to the Council's Target Management and Maintenance Allowances. We have then assumed that the Allowances received by St Albans will move steadily to meet their target levels by 2011.12. We have assumed no real growth in these Allowances thereafter, although it would be reasonable to assume that with continued real rental growth of 0.5% per annum, the Allowances might continue to grow until formula levels were met. The Major Repairs Allowance is assumed to grow with inflation only, in line with Government policy statements.
- **Management budgets grow in real terms by 0.5% pa and are reduced in respect of Right to Buy losses by only items that reduce "naturally" with reduced stock,** such as property insurance, tenants' removal expenses, amounting to £54 per unit at 2004.05 prices. Once RTB losses reach significant numbers it will be possible to make more significant savings, e.g. by restructuring and reducing staff, a matter that we refer to later.
- **Maintenance budgets are assumed to reduce pro rata with the number of dwellings** in the HRA, with unit costs growing in real terms at the higher of 0.5% pa or the major works growth rate (see below).

- **Major building works requirements are fully funded**, covering the range of Decent Homes Standard works and the implications of the Council's improvement policies. The extent of investment proposed for the stock is based upon the Council's condition survey (which was completed in 2002), updated for interim works, stock changes and inflation, and augmented by the Council's investment policies, which improve stock condition to beyond the Decent Home Standard. This review of HRA investment has been undertaken as part of our Options Appraisal, and has revealed the need for an additional approximate £200,000 per annum over the previous 6-year Programme. In total the 30-year programme included in the model involves improvements and additional works costing more than £30 million than those identified in the stock condition survey as needed to keep the Council' stock in good condition at the DHS.
- Major works³ applying to dwellings (rather than estate improvements, garages etc) are assumed to reduce with RTB losses, but unit costs are assumed to grow by 2.5% pa in real terms for the next three years in line with recent patterns. In line with Government guidelines, and reflecting historical patterns of major building works costs, this real growth is removed after 10 years.
- **Right to Buy levels are assumed to continue at 1.31% of the general needs stock** (i.e. excluding the retirement stock), the average rate of the last 4 years. Values are assumed to grow at 1% pa in real terms, considerably less than recent experience, and the current discount remains at its current cash £34,000 level. The Government's policy of increasingly reducing the amount of RTB receipts available to the Council is modelled, so that by 2007.08 75% is paid to Government and 25% only is available.
- **There is a capital reserve of £10.045 million available to the HRA at the start of 2004.05.** While this reserve has been set aside for HRA purposes, the outcome of our analysis may well result in a significant proportion of it being used for enabling purposes.
- The Council's allocation of Supported Capital Expenditure (i.e. new HRA borrowing where the Government provides subsidy on interest payments) remains at the 2004.05 level of £884,000 in real terms for 2005.06, but reduces by 30% to £618,800 pa thereafter, reflecting pressures to fund new affordable housing in the Region. **We have assumed in the base case that the Council continues to not use this allowance.**
- **The HRA debt at the start of 2004.05 of £4.329 million is retained throughout** (in line with the removal of MRP etc requirements and our assumption in relation to SCE as noted immediately above). The Council remains debt free and interest applicable is maintained at 4.15% per annum.
- **The HRA balance requirements have been set at £50 per dwelling per annum at 2004.05 prices.** This minimum balance requirement grows in line with the RPI and stock numbers.
- Inflation runs at 2.5% pa throughout.

³ Exceptionally we have retained aids and adaptations and "one-off" projects at full 2004.05 budget levels.

3 The Base Case Outcome

3.1 The outcome to the key questions concerning the HRA (see paragraph 9.12 of the main text) is set out below.

Revenue

Does the HRA meet minimum balance requirements? Yes

If not, year when first in deficit

Is the HRA in balance annually throughout? No

If not, year when first in deficit 15

Capital

Is there sufficient capital to meet the Council's standards? Yes

If not, what is the 10-year deficit?

If sufficient, what 10-year enabling budget is there? £10.0 million

3.2 The first year the HRA is in deficit is year 15 and it is in increasing deficit thereafter. The reasons for this are that growth in actual management and maintenance costs are outstripping Management and Maintenance subsidy, which we have assumed will be capped to inflation only growth from 2011.12 (year 8), and that management costs have only a marginal reduction for each RTB loss. In reality Government may award real growth to subsidy allowances if actual costs do grow in real terms.

3.3 In addition, as RTB losses accumulate, it should be possible to make staff savings in the HRA and move to balance the in-year position. In this respect it is worth noting that on our RTB assumptions, the total rented stock will have declined from 5,042 at the start of 2004.05 to 4,188 at 2018.19, the beginning of year 15.

3.4 The fact that the HRA has sufficient balances throughout the 30-year period yet is in deficit from year 15 is possible because the HRA is in considerable surplus in the early years, having built up a total of more than £15 million by year 15. This sum is then used for the remainder of the 30-year period to balance the HRA each year, and there is a final balance of £8.3 million at the end of year 30.

3.5 The Major Repairs Reserve can afford to contribute £1.0 million pa for each of the first 10 years for new affordable housing. Note that this total is calculated to leave the HRA with minimum balances at the end of 30 years and brings forward the first year when the HRA is in annual deficit.

4 Sensitivity Analysis

- 4.1 Projecting income and expenditure over a 30-year period is obviously an activity that is bound to “get it wrong” in at least some if not the majority of assumptions. The purpose of sensitivity analysis is to test whether the mainstream or base case option is robust in the sense of whether changes to the assumptions produce significant changes to the key outcomes.
- 4.2 The HRA as described above is capital rich, but more balanced in revenue terms. We have undertaken the following sensitivity tests to examine the HRA’s robustness in both its capital and revenue position:
- 1 The Council uses the assumed SCE for HRA purposes.
 - 2 RTB numbers reduce to 50% of their historic level over the first 5 years.
 - 3 The real growth in subsidy does not materialise.
 - 4 Real growth in Management and Maintenance subsidy after rent convergence equals the real growth in management and maintenance costs.
 - 5 Real growth in management and maintenance costs increases to 1% pa.
 - 6 The assumed reduction in real growth in major works costs in years 11 onwards does not materialise.
 - 7 The real growth in major works costs continues for the first 5 years and reduces after 10 years.
 - 8 As 7 but does not reduce.
- 4.3 The results of the above sensitivities are set out in the Table at Annex 1, with brief notes commenting on the outcomes beneath.

5 Conclusions

- 5.1 Overall we believe that the base case and sensitivity analysis demonstrates that the HRA’s position is robust in both revenue and capital terms.
- 5.2 The financial model and supporting information has been made available to Heart of England, the Independent Tenant Adviser for our Options Appraisal, and they concur with this view.
- 5.3 On the basis of the above analysis, and unless strong aspirations requiring additional resources emerge from the consultation process, we can see no need for the Council to change the management or ownership of the HRA assets on the grounds of scarcity of revenue or capital finance for the HRA.

5.4 Annex 1 Sensitivities

The Table sets out the results of the sensitivities listed in paragraph 4.2 together with the base case for comparison.

| Outcome | Base Case | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|-----------|-----|----|----|-----|-----|-----|-----|-----|
| Revenue HRA | | | | | | | | | |
| Meet minimum balance requirements? | Yes | No | No | No | Yes | No | Yes | Yes | Yes |
| If not, year when first in deficit | | 26 | 22 | 16 | | 24 | | | |
| Balanced annually throughout? | No | No | No | No | No | No | No | No | No |
| If not, year when first in deficit | 15 | 12 | 11 | 7 | 20 | 11 | 15 | 14 | 14 |
| Capital | | | | | | | | | |
| Sufficient capital? | Yes | Yes | No | No | Yes | Yes | Yes | Yes | Yes |
| If not, what is the 10-year deficit? | | | 0 | 0 | | | | | |
| If sufficient, 10-year enabling budget (millions) | £10 | £18 | £0 | £8 | £16 | £7 | £8 | £6 | £1 |

Notes:

- 1 The financing of the borrowing produces a slight weakening of the HRA's revenue position.
- 2 The reduction of capital from RTB receipts causes the model to use revenue balances for capital, bringing forward the HRA deficit year. The capital outcome noted make the situation look worse than it is, as there is a single year – year 20, when there is a deficit of £0.8 million.
- 3 As ever, the HRA is vulnerable to political changes. Without the real growth in subsidy allowances the HRA rapidly becomes unsustainable without revenue budget cuts.
- 4 The increased subsidy provides revenue contributions to capital and frees capital resources for affordable housing.
- 5 The additional real revenue cost growth weakens the HRA and reduces the revenue contribution to capital available.
- 6 7 & 8 The real capital cost growth has a marginal effect upon the revenue position but reduces significantly the capital available for affordable housing.

Operating Account

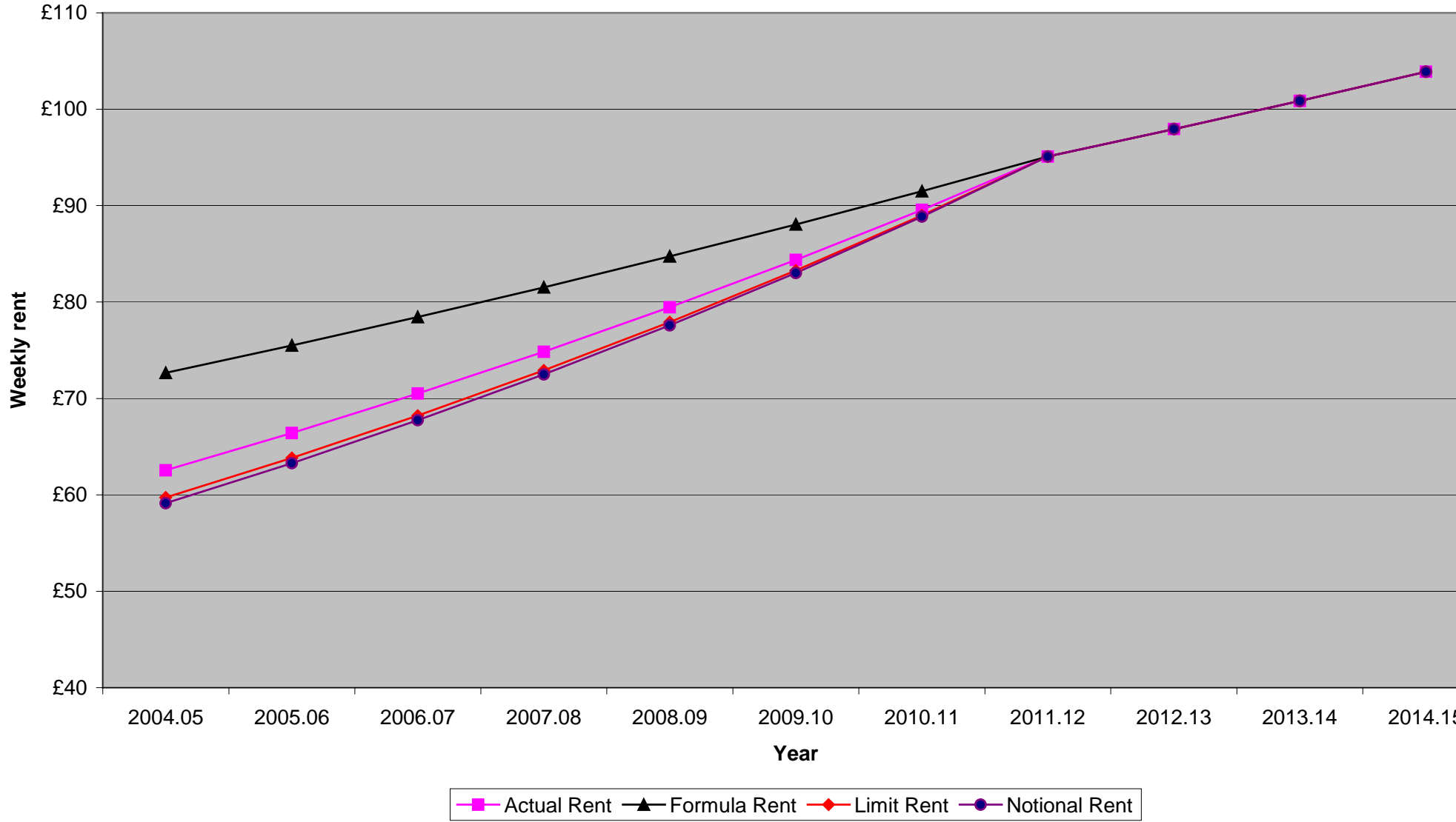
| | | Income | | | | | Expenditure | | | | | | | | | | | Net Operating | | Additional prov for | | Transfer | | Surplus | | Surplus | |
|------|---------|-----------------|--------------|-------------|------------------------|--------------|-------------|--------------|---------|-----------------|---------------------|--------------------------|---------------|--------------------------|----------------|------------------------------|---------------|-------------------------------|-----------------|---------------------|------------------------|-----------------|-------|-----------------|--|---------|--|
| Year | Year | Net rent Income | Other income | Misc Income | HRA Subsidy Receivable | Total Income | Managt. | Depreciation | Maint. | Cost of Capital | Other Revenue spend | HRA Cost of Rent Rebates | Misc expenses | Surplus to be redistrib. | Total expenses | Adjusting transfer from AMRA | (Expenditure) | repay of external loans (MRP) | from / (to) MRR | RCCO | (Deficit) for the Year | (Deficit) b/fwd | Int | (Deficit) c/fwd | | | |
| | | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | | | |
| 1 | 2004.05 | 17,226 | 1,030 | 0 | 0 | 18,256 | (3,919) | (3,655) | (2,733) | (14,658) | (429) | (169) | 0 | (5,571) | (31,133) | 14,035 | 1,159 | 0 | 0 | 0 | 1,159 | 669 | 53 | 1,881 | | | |
| 2 | 2005.06 | 18,039 | 1,056 | 0 | 0 | 19,095 | (4,031) | (3,680) | (2,835) | (14,842) | (442) | (96) | 0 | (6,243) | (32,168) | 14,219 | 1,146 | 0 | 0 | 0 | 1,146 | 1,881 | 104 | 3,131 | | | |
| 3 | 2006.07 | 18,891 | 1,082 | 0 | 0 | 19,973 | (4,147) | (3,726) | (2,940) | (15,029) | (456) | (22) | 0 | (6,988) | (33,307) | 14,406 | 1,071 | 0 | 0 | 0 | 1,071 | 3,131 | 156 | 4,358 | | | |
| 4 | 2007.08 | 19,783 | 1,109 | 0 | 0 | 20,892 | (4,266) | (3,773) | (2,973) | (15,218) | (470) | 0 | 0 | (7,771) | (34,471) | 14,594 | 1,015 | 0 | 0 | 0 | 1,015 | 4,358 | 207 | 5,580 | | | |
| 5 | 2008.09 | 20,718 | 1,137 | 0 | 0 | 21,855 | (4,388) | (3,821) | (3,025) | (15,410) | (484) | 0 | 0 | (8,634) | (35,762) | 14,828 | 921 | (0) | 0 | 0 | 921 | 5,580 | 257 | 6,757 | | | |
| 6 | 2009.10 | 21,697 | 1,165 | 0 | 0 | 22,862 | (4,514) | (3,869) | (3,079) | (15,604) | (499) | 0 | 0 | (9,515) | (37,080) | 15,047 | 829 | (0) | 0 | 0 | 829 | 6,757 | 305 | 7,891 | | | |
| 7 | 2010.11 | 22,723 | 1,194 | 0 | 0 | 23,917 | (4,644) | (3,918) | (3,133) | (15,801) | (514) | 0 | 0 | (10,537) | (38,547) | 15,371 | 741 | 0 | 0 | 0 | 741 | 7,891 | 351 | 8,983 | | | |
| 8 | 2011.12 | 23,797 | 1,224 | 0 | 0 | 25,021 | (4,777) | (3,967) | (3,188) | (16,001) | (530) | 0 | 0 | (11,694) | (40,157) | 15,793 | 657 | 0 | 0 | 0 | 657 | 8,983 | 396 | 10,036 | | | |
| 9 | 2012.13 | 24,214 | 1,255 | 0 | 0 | 25,469 | (4,915) | (4,017) | (3,335) | (16,203) | (547) | 0 | 0 | (11,956) | (40,974) | 16,010 | 505 | (0) | 0 | 0 | 505 | 10,036 | 437 | 10,979 | | | |
| 10 | 2013.14 | 24,638 | 1,286 | 0 | 0 | 25,925 | (5,056) | (4,068) | (3,394) | (16,408) | (564) | 0 | 0 | (12,209) | (41,699) | 16,215 | 440 | 0 | 0 | 0 | 440 | 10,979 | 476 | 11,895 | | | |
| 11 | 2014.15 | 25,071 | 1,318 | 0 | 0 | 26,389 | (5,202) | (4,120) | (3,488) | (16,616) | (581) | 0 | 0 | (12,469) | (42,475) | 16,423 | 337 | (0) | 0 | 0 | 337 | 11,895 | 513 | 12,745 | | | |
| 12 | 2015.16 | 25,509 | 1,351 | 0 | 0 | 26,860 | (5,351) | (4,172) | (3,549) | (16,827) | (599) | 0 | 0 | (12,733) | (43,231) | 16,633 | 262 | 0 | 0 | 0 | 262 | 12,745 | 547 | 13,554 | | | |
| 13 | 2016.17 | 25,951 | 1,385 | 0 | 0 | 27,336 | (5,505) | (4,225) | (3,611) | (17,038) | (617) | 0 | 0 | (13,004) | (44,000) | 16,844 | 179 | (0) | 0 | 0 | 179 | 13,554 | 580 | 14,313 | | | |
| 14 | 2017.18 | 26,396 | 1,420 | 0 | 0 | 27,816 | (5,663) | (4,278) | (3,673) | (17,249) | (637) | 0 | 0 | (13,279) | (44,779) | 17,054 | 91 | 0 | 0 | 0 | 91 | 14,313 | 610 | 15,014 | | | |
| 15 | 2018.19 | 26,845 | 1,455 | 0 | 0 | 28,300 | (5,826) | (4,331) | (3,736) | (17,460) | (656) | 0 | 0 | (13,558) | (45,567) | 17,265 | (2) | 0 | 0 | 0 | (2) | 15,014 | 638 | 15,650 | | | |
| 16 | 2019.20 | 27,299 | 1,492 | 0 | 0 | 28,791 | (5,994) | (4,384) | (3,881) | (17,671) | (677) | 0 | 0 | (13,841) | (46,447) | 17,475 | (181) | (0) | 0 | 0 | (181) | 15,650 | 661 | 16,130 | | | |
| 17 | 2020.21 | 27,759 | 1,529 | 0 | 0 | 29,288 | (6,166) | (4,437) | (3,946) | (17,884) | (697) | 0 | 0 | (14,127) | (47,258) | 17,688 | (282) | 0 | 0 | 0 | (282) | 16,130 | 680 | 16,527 | | | |
| 18 | 2021.22 | 28,222 | 1,567 | 0 | 0 | 29,789 | (6,344) | (4,490) | (4,013) | (18,097) | (719) | 0 | 0 | (14,420) | (48,082) | 17,901 | (393) | (0) | 0 | 0 | (393) | 16,527 | 694 | 16,829 | | | |
| 19 | 2022.23 | 28,687 | 1,606 | 0 | 0 | 30,294 | (6,526) | (4,544) | (4,079) | (18,310) | (741) | 0 | 0 | (14,716) | (48,916) | 18,113 | (510) | (0) | 0 | 0 | (510) | 16,829 | 704 | 17,023 | | | |
| 20 | 2023.24 | 29,155 | 1,647 | 0 | 0 | 30,802 | (6,714) | (4,597) | (4,146) | (18,521) | (764) | 0 | 0 | (15,016) | (49,758) | 18,324 | (633) | 0 | 0 | 0 | (633) | 17,023 | 710 | 17,100 | | | |
| 21 | 2024.25 | 29,628 | 1,688 | 0 | 0 | 31,316 | (6,907) | (4,650) | (4,262) | (18,732) | (788) | 0 | 0 | (15,319) | (50,658) | 18,535 | (807) | (0) | 0 | 0 | (807) | 17,100 | 710 | 17,003 | | | |
| 22 | 2025.26 | 30,106 | 1,730 | 0 | 0 | 31,836 | (7,105) | (4,703) | (4,331) | (18,945) | (812) | 0 | 0 | (15,626) | (51,523) | 18,747 | (940) | 0 | 0 | 0 | (940) | 17,003 | 703 | 16,765 | | | |
| 23 | 2026.27 | 30,586 | 1,773 | 0 | 0 | 32,359 | (7,310) | (4,757) | (4,400) | (19,158) | (837) | 0 | 0 | (15,939) | (52,400) | 18,959 | (1,082) | (0) | 0 | 0 | (1,082) | 16,765 | 690 | 16,373 | | | |
| 24 | 2027.28 | 31,067 | 1,818 | 0 | 0 | 32,885 | (7,520) | (4,810) | (4,470) | (19,369) | (863) | 0 | 0 | (16,255) | (53,287) | 19,170 | (1,232) | 0 | 0 | 0 | (1,232) | 16,373 | 670 | 15,810 | | | |
| 25 | 2028.29 | 31,550 | 1,863 | 0 | 0 | 33,413 | (7,736) | (4,863) | (4,540) | (19,578) | (890) | 0 | 0 | (16,574) | (54,181) | 19,379 | (1,389) | (0) | 0 | 0 | (1,389) | 15,810 | 642 | 15,064 | | | |
| 26 | 2029.30 | 32,038 | 1,910 | 0 | 0 | 33,947 | (7,959) | (4,916) | (4,565) | (19,786) | (918) | 0 | 0 | (16,896) | (55,038) | 19,586 | (1,505) | (0) | 0 | 0 | (1,505) | 15,064 | 608 | 14,167 | | | |
| 27 | 2030.31 | 32,529 | 1,957 | 0 | 0 | 34,486 | (8,187) | (4,968) | (4,635) | (19,996) | (946) | 0 | 0 | (17,221) | (55,953) | 19,796 | (1,672) | (0) | 0 | 0 | (1,672) | 14,167 | 567 | 13,062 | | | |
| 28 | 2031.32 | 33,020 | 2,006 | 0 | 0 | 35,027 | (8,423) | (5,021) | (4,706) | (20,204) | (975) | 0 | 0 | (17,551) | (56,880) | 20,003 | (1,850) | 0 | 0 | 0 | (1,850) | 13,062 | 516 | 11,728 | | | |
| 29 | 2032.33 | 33,512 | 2,056 | 0 | 0 | 35,569 | (8,665) | (5,073) | (4,776) | (20,411) | (1,005) | 0 | 0 | (17,885) | (57,815) | 20,209 | (2,037) | 0 | 0 | 0 | (2,037) | 11,728 | 455 | 10,146 | | | |
| 30 | 2033.34 | 34,004 | 2,108 | 0 | 0 | 36,112 | (8,914) | (5,125) | (4,847) | (20,614) | (1,037) | 0 | 0 | (18,220) | (58,756) | 20,412 | (2,232) | 0 | 0 | 0 | (2,232) | 10,146 | 384 | 8,297 | | | |

Major Repairs and Improvements Financing

| Year | Year | Expenditure | | | | | Financing | | | | | | Check Total |
|------|---------|------------------|---------------|---------------|-------|-------------------|------------------|--------------|--------|--------|-------|-----------------|-------------|
| | | Catch up Repairs | Planned Maint | Improve-ments | Other | Total Expenditure | Credit approvals | RTB Receipts | Other | MRR | RCCO | Total Financing | |
| | | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | |
| 1 | 2004.05 | 0 | 3,702 | 1,273 | 1,697 | 6,672 | 0 | 5,684 | 10,045 | -9,058 | 0 | 6,672 | 0 |
| 2 | 2005.06 | 0 | 4,063 | 732 | 1,943 | 6,738 | 0 | 4,572 | 0 | 2,166 | 0 | 6,738 | 0 |
| 3 | 2006.07 | 0 | 4,474 | 770 | 1,613 | 6,857 | 0 | 3,343 | 0 | 3,514 | 0 | 6,857 | 0 |
| 4 | 2007.08 | 0 | 4,752 | 605 | 1,239 | 6,596 | 0 | 1,995 | 0 | 4,602 | 0 | 6,596 | 0 |
| 5 | 2008.09 | 0 | 4,884 | 607 | 1,281 | 6,772 | 0 | 2,081 | 0 | 4,691 | 0 | 6,772 | 0 |
| 6 | 2009.10 | 0 | 4,750 | 592 | 1,946 | 7,289 | 0 | 2,170 | 0 | 5,119 | 0 | 7,289 | 0 |
| 7 | 2010.11 | 0 | 4,781 | 475 | 1,053 | 6,309 | 0 | 2,261 | 0 | 4,048 | 0 | 6,309 | 0 |
| 8 | 2011.12 | 0 | 4,842 | 409 | 1,221 | 6,471 | 0 | 2,355 | 0 | 4,116 | 0 | 6,471 | 0 |
| 9 | 2012.13 | 0 | 5,646 | 414 | 1,471 | 7,530 | 0 | 2,452 | 0 | 5,079 | 0 | 7,530 | 0 |
| 10 | 2013.14 | 0 | 5,717 | 945 | 1,515 | 8,177 | 0 | 2,551 | 0 | 5,627 | 0 | 8,177 | 0 |
| 11 | 2014.15 | 0 | 6,521 | 107 | 1,588 | 8,216 | 0 | 2,653 | 0 | 5,564 | 0 | 8,216 | 0 |
| 12 | 2015.16 | 0 | 6,508 | 107 | 1,636 | 8,251 | 0 | 2,794 | 0 | 5,457 | 0 | 8,251 | 0 |
| 13 | 2016.17 | 0 | 6,495 | 107 | 1,685 | 8,287 | 0 | 2,942 | 0 | 5,345 | 0 | 8,287 | 0 |
| 14 | 2017.18 | 0 | 6,481 | 107 | 1,735 | 8,323 | 0 | 3,097 | 0 | 5,226 | 0 | 8,323 | 0 |
| 15 | 2018.19 | 0 | 6,465 | 106 | 1,787 | 8,359 | 0 | 3,258 | 0 | 5,101 | 0 | 8,359 | 0 |
| 16 | 2019.20 | 0 | 6,153 | 125 | 1,719 | 7,996 | 0 | 3,382 | 0 | 4,614 | 0 | 7,996 | 0 |
| 17 | 2020.21 | 0 | 6,226 | 126 | 1,771 | 8,123 | 0 | 3,556 | 0 | 4,567 | 0 | 8,123 | 0 |
| 18 | 2021.22 | 0 | 6,300 | 127 | 1,824 | 8,252 | 0 | 3,738 | 0 | 4,514 | 0 | 8,252 | 0 |
| 19 | 2022.23 | 0 | 6,373 | 129 | 1,879 | 8,381 | 0 | 3,928 | 0 | 4,453 | 0 | 8,381 | 0 |
| 20 | 2023.24 | 0 | 6,446 | 130 | 1,935 | 8,512 | 0 | 4,127 | 0 | 4,386 | 0 | 8,512 | 0 |
| 21 | 2024.25 | 0 | 4,833 | 77 | 1,669 | 6,579 | 0 | 4,277 | 0 | 2,303 | 0 | 6,579 | 0 |
| 22 | 2025.26 | 0 | 4,888 | 78 | 1,719 | 6,685 | 0 | 4,491 | 0 | 2,194 | 0 | 6,685 | 0 |
| 23 | 2026.27 | 0 | 4,942 | 79 | 1,771 | 6,792 | 0 | 4,714 | 0 | 2,078 | 0 | 6,792 | 0 |
| 24 | 2027.28 | 0 | 4,996 | 80 | 1,824 | 6,900 | 0 | 4,948 | 0 | 1,952 | 0 | 6,900 | 0 |
| 25 | 2028.29 | 0 | 5,050 | 81 | 1,879 | 7,009 | 0 | 5,192 | 0 | 1,817 | 0 | 7,009 | 0 |

| Year | Year | Expenditure | | | | | Financing | | | | | | Check Total |
|------|---------|---------------------|------------------|-------------------|-------|----------------------|---------------------|--------------|-------|-------|-------|--------------------|----------------|
| | | Catch up Repairs | Planned Maint | Improve- ments | Other | Total Expenditure | Credit Approvals | RTB Receipts | Other | MRR | RCCO | Total Financing | |
| | | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | |
| 26 | 2029.30 | 0 | 4,654 | 204 | 2,027 | 6,885 | 0 | 5,374 | 0 | 1,511 | 0 | 6,885 | 0 |
| 27 | 2030.31 | 0 | 4,703 | 206 | 2,088 | 6,996 | 0 | 5,637 | 0 | 1,359 | 0 | 6,996 | 0 |
| 28 | 2031.32 | 0 | 4,751 | 208 | 2,150 | 7,110 | 0 | 5,912 | 0 | 1,198 | 0 | 7,110 | 0 |
| 29 | 2032.33 | 0 | 4,799 | 211 | 2,215 | 7,224 | 0 | 6,199 | 0 | 1,025 | 0 | 7,224 | 0 |
| 30 | 2033.34 | 0 | 4,846 | 213 | 2,281 | 7,340 | 0 | 6,500 | 0 | 840 | 0 | 7,340 | 0 |

St Albans Rental Growth (cash terms)



ACTION PLAN

Business Plan Priority One:- To deliver a sensitive and efficient housing management service to tenants and leaseholders which is subject to continuous improvement.

Corporate Objective 1.1 Provide high quality services and strive for excellence through continuous improvement

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|---|----------|---------------|---------------------------------|---|--|
| Continue to implement the actions arising from the Best Value Review of the repairs and management service | High | July 2005 | Existing budgets | Principal Management Officer/Project Group Leader | Provide a continuing range of service improvements |
| Implement the actions arising from the revised Tenant Compact | High | March 2005 | Existing budgets | Tenant Participation Officer | Improvements in tenant participation |
| To complete and implement a Tenant Empowerment Strategy as part of the Options Appraisal | High | February 2005 | HRA Budget item for Consultants | Principal Management Officer | To ensure tenants/leaseholders play an active role in Options Appraisal process |
| Review the caretaking service | Medium | March 2005 | Staff time | Estates Service Officer | To develop improvements to the service and increase satisfaction |
| Assess options for the continued provision of quality housing service ie stock retention, LSVT, Arms Length | High | February 2005 | HRA £125,000 | Head of Housing | To determine the preferred option to meet investment required and priorities of tenants/leaseholders |

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|--|-----------------|---|--|---|---|
| To maximise the Council's existing stock and other assets | High | Complete 3 extensions/ conversions per annum To commence a review of the retirement housing stock and present options by February 2005 | £200,000 Housing Investment Programme per annum Staff time/ consultants | Project Group Leader Development Officer | Create more choice for residents on Housing Register Maximise flexibility of existing stock to meet housing need |
| To achieve top quartile performance in relation to best value performance indicators covering decent homes, repairs appointments, SAP rating and satisfaction with housing services and arrangements for participation | High | Annual | Existing Budgets | Head of Housing Project Group Leader Principal Management Officer | Achieving excellence performance across a range of key performance indicators |
| To develop an improvement plan for the housing service | High | February 2005 | £5,000 HRA via Housing Options Appraisal | Head of Housing | To continually improve the housing service |

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|--|-----------------|-------------------------------------|------------------|---------------------|--|
| To update the Action Plan and HRA Business Plan following feedback from tenants, leaseholders and Members via Housing Consultative Forum, Tenants and Residents Conference, satisfaction surveys and Housing Times Newsletter. | High | June 2005 June 2006 June 2007 | Existing Budget | Head of Housing | To provide an annual update to HRA Business Plan |

Business Plan Priority Two:- To maximise the involvement of tenants and leaseholders in the running of the housing management service

Corporate Objective 1.2 Engage with and ensure our services are easily accessible to all, paying particular attention to ethnic minority groups, people with disabilities and other groups with specific needs

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|---|-----------------|---------------|--|--|--|
| To carry out works to retirement schemes/homelessness hostels in order to comply with the Disability Discrimination Act | High | October 2004 | £60,000 Housing Investment Programme 2004/05 | Senior Housing Surveyor | To improve access for disabled persons and ensure compliance with DDA requirements |
| To maintain an annual programme of adaptations for disabled people | High | Annual | Housing Investment Programme £584,000 2004/05 £599,000 2005/06 £614,000 2006/07 | Project Group Leader | Assist elderly and disabled people to live independently in their own home |
| To hold an annual Residents Conference and Housing Strategy Conference | High | Annual | Existing Budget | Tenant Participation Officer Housing Policy Officer | To engage with customers and improve their participation in the management of the housing service |
| To complete and implement a Tenant Empowerment Strategy as part of the Housing Options Appraisal | High | February 2005 | HRA £125,000 2004/05 | Head of Housing Principal Management Officer | To ensure all stakeholders tenants and leaseholders are consulted throughout the Housing Options Appraisal |

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|--|-----------------|---------------|-------------------------|--|---|
| To implement the action plan within the Tenant Compact | High | March 2005 | Existing Budget | Area Team Leader/ Tenant Participation Officer | To enhance tenant participation across the District |
| Continue to implement the actions arising from the Best Value Review of Social Inclusion | High | July 2005 | Housing Revenue Account | Head of Housing | Provide a continuing range of service improvements and make the service more accessible |
| To continue to support the Asian Women's Residents Group | High | Annual | Existing budgets | Special Advisory Officer | To engage with black and minority ethnic groups |
| To implement the action plan within the Equalities Scheme for housing | High | 2004-06 | Existing budget | Principal Management Officer/Principal Rehousing Officer | To increase the level of accessibility to Housing Services |

Business Plan Priority Three:- To address issues around anti-social behaviour and make local communities safer places to live and work

Corporate Objective 2.5 Help people feel safe and be safe whilst living in, working in and travelling around the District

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|---|-----------------|----------------|--|----------------------------|---|
| To continue with an ongoing programme of door entry systems | High | March 2007 | Housing Investment Programme £550,000 2004/05 £175,000 2005/06 £230,000 2006/07 | Project Group Leader | To help residents feel safer in their homes |
| Pilot the implementation of CCTV on one estate | High | September 2004 | £15,000 HRA | Area Team Leader | Safer communities |
| Contribute to the 'Safe' Scheme to install security measures for the elderly and vulnerable | High | Ongoing | Existing budget | Principal Housing Surveyor | To help vulnerable residents feel safer in their homes |
| To take a lead role within the Anti-Social Behaviour Group | High | Ongoing | Staff time | Area Team Leader | To ensure a multi-agency approach in addressing anti-social behaviour |

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|---|-----------------|---------------|------------------|---------------------|---|
| To review procedures in light of the recent Anti Social Behaviour Act | High | Ongoing | Staff time | Area Team Leader | To ensure current procedures adopt best practice and recent legislation |
| To implement the use of professional witnesses | High | Annual | HRA £15,000 | Area Team Leader | Safer Communities |

Business plan Priority Four:- To sustain a rolling programme of planned maintenance and improvements so as to maintain the stock in decent condition

Corporate Objective 3.4 Maintain the Council's housing stock to keep it in a decent condition

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|---|-----------------|--|------------------------------|----------------------|--|
| Meet Government's Decent Home Standard by 2010 | High | 33% compliance by March 2004 100% compliance by March 2006 | Housing Investment Programme | Project Group Leader | Improvement in the standard of homes to meet the Decent Homes Standard |
| Develop a database for updating Stock Condition Survey/Monitoring of Decent Homes | High | 2004/05 | HRA £10,000 | Project Group Leader | Improve planning of future work/knowledge of housing stock |
| Develop a more efficient procurement for capital works | High | Implementation of uPVC partnering contract by June 2004 Implementation of partnering contract for kitchen and bathroom replacements by March 2005 | Staff time | Project Group Leader | More efficient procurement in delivering capital works |

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|--|-----------------|--|--|-------------------------|--|
| Completion of an Options Appraisal | High | February 2005 | £25,000 General Fund £100,000 HRA 2004/05 | Head of Housing | To identify the preferred Option for maintaining/ managing the Council's housing stock |
| Improve energy efficiency of the Council's stock via upgrading insulation/central heating systems/replacement uPVC windows | High | Ongoing | Housing Investment Programme £986,000 2004/05 £1,323,000 2005/06 £1,047,000 2006/07 | Project Group Leader | More homes are energy efficient |
| To pilot a solar energy project | High | March 2005 | £40,000 Housing Investment Programme | Project Group Leader | To assess the potential in accessing solar energy and grants available |
| Identify location of asbestos in common areas | High | By May 2004 to develop a system for carrying out surveys/recording information | Housing Investment Programme £20,000 2004/05 £50,000 2005/06 £50,000 2006/07 | Senior Housing Surveyor | To identify those blocks where asbestos requires removal |

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| Increase proportion of planned over responsive maintenance | High | Annual | Existing budgets | Principal Management Officer Project Group Leader | More effective use of HRA resources |
|--|------|--------|------------------|--|-------------------------------------|

Corporate Objective 4.4 Support learning opportunities for local people to improve their skills and life chances

| Task | Priority | Target | Resources | Lead Officer | Outcome |
|---|-----------------|---------------|------------------|------------------------------|-----------------------------------|
| To promote a programme of learning skills courses and workshops incorporating IT across the District through local residents groups | High | Annual | Staff time | Tenant Participation Officer | To improve skills amongst tenants |

Glossary of Terms Used in Business Plan

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| ADP | Approved Development Programme |
| CPA | Comprehensive Performance Assessment |
| DHS | Decent Homes Standard |
| Go-East | Government Office for the East of England |
| HIP | Housing Investment Programme |
| HRA | Housing Revenue Account |
| LSP | Local Strategic Partnership |
| LSVT | Large Scale Voluntary Transfer |
| RSL | Registered Social Landlord |
| RTB | Right to Buy |
| SAP | Standard Assessment Procedure |
| TPAS | Tenant Participation Advisory Service |

Definition of Technical Terms

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| Annual Development Programme (ADP) | Yearly allocation of money made by the Housing Corporation to RSLs to fund schemes in partnership with local authorities. |
| Arms Length Management Organisation (ALMO) | A company established by the local authority for the purpose of carrying out the landlord role for Council housing. The Council still retains ownership of the stock. |
| Asset Management Plan | A plan showing how capital assets will be maintained to meet user needs and the expected resources available for investment. |
| Capital Programme | Financial provision for the planned repair and improvement of Council housing stock. |
| Capital Receipts (RTB) | Money paid by the buyers of Council owned homes. |
| Capital Strategy | This sets the framework within which the Council will award capital investment to ensure the best use of capital resources. |
| Decent Homes Standard | A requirement set by the Government for all social housing providers to meet specified minimum standards by 2010. |
| Go-East | The Regional Government Office for East of England covering 48 local authorities. |
| Housing Association/RSL | A non profit making organisation which provides affordable housing for those who cannot afford to buy a home. |
| Housing Revenue Account (HRA) | HRA covers Council income and expenditure on its own housing. |
| Local Strategic Partnership (LSM) | A group of organisations covering the district responsible for developing the Community Strategy. |

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| Private Finance Initiative (PFI) | PFI involves the transfer of maintenance and upgrading works to an organisation who use private funding to carry out the work. The Council still owns the housing stock. |
| Section 106 Agreements | Agreements between landowners, developers and local authorities e.g. affordable housing, leisure facilities to be included within the development of a site. |
| Standard Assessment Procedure (SAP) | An assessment of the energy efficiency of a home on a Scale 1-100. The higher the rating the more energy efficient the home. |

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